

Purchasing Week

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\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

Experts to Pick Pro-D Award Winners



F. Albert Hayes



George A. Renard



William R. Leitch

You as an individual—or your department, or a team on which you might work among your fellow P.A.'s or NAPA colleagues—can test your managerial skills in a specially designed PURCHASING WEEK Professional Development Competition that begins in this publication on Oct. 23.

Winners will be chosen by the three judges shown above and will receive plaques attesting to their superior ability to cope with management problems.

In devising this timely competition—entirely new, both in scope and subject matter—PURCHASING WEEK is aiming to:

1. Give you insights into the

kinds of problems you are—or will be—facing in your growing role as company profits-contributor. You will get a better focus on your current environment by noting the nature of the problems and thinking about the resolution of their complexities. (The problems, incidentally, (Turn to page 40, column 4)

Top Truck Makers Quietly Abandon Annual Style Changes on '62 Models

Detroit—Quietly, almost with red faces, the big four captive truck makers have abolished the annual model change-over. Result: 1962 prices will be the same or lower than last year, due to big production savings.

Reason for the policy shift is simple economics. It costs, for example, about \$1-million to tool up for a redesigned grill and closure. A whole new front-end requires about 200 new parts, with a tooling bill of about \$2-million.

It finally dawned upon Detroit manufacturers that most buyers couldn't care less whether the hoods have been redesigned or not. Their concern is what is under the hoods.

The new policy brings Ford, Chevrolet, Dodge, and GMC into step with independent truck makers such as White, Mack, Studebaker, and International Harvester, which tend to make changes only when expedient—with no regard to time or season.

As one Detroit product planner put it: "I guess we were passenger car oriented."

First of the big four to announce lower prices for 1962 was Dodge, which said it has been (Turn to page 39, column 1)

Copper Seen Riding Out Price-Weakening Forces

New York—Copper industry sources last week saw refined copper's 31¢/lb. price as virtually certain to ride out a series of apparent price-weakening developments at home and abroad.

With domestic markets in apparent good shape, the industry believes the 31¢ level that has held since May will continue stable over the foreseeable future despite such pressures as:

• Dealers in the outside market are offering copper at 30¾¢/lb. for prompt delivery to nearby points.

• Smelters have lowered their (Turn to page 4, column 2)

Pentagon Set to Offer New Profit Incentives In Defense Contracts

Washington—The Defense Dept. is about to issue revised armed services procurement regulations designed to spur contractors into assuming higher risks in return for greater profits.

The changes will be made in the rules on "selection of contract types" and will represent "brand-new dogma" in procurement policy, a high-level Pentagon official told PURCHASING WEEK.

The changes are expected to:

• Expand the use of cost-plus incentive-fee contracts on development and early production projects and reduce the use of cost-plus fixed-fee awards.

• Reduce the use of price-redetermination clauses in fixed-price contracts.

• Move major projects into a fixed-price incentive-type contract basis more rapidly.

• Provide a wider range of fees in cost-reimbursement contracts.

• Allow a larger share of savings on incentive-type contracts.

Latest Pentagon figures show that cost-plus fixed-fee contracts account for about 12.1% of procurement awards, cost-plus in- (Turn to page 29, column 1)

Cautious Buying Tactics Still the Rule, P.A.'s Say

International Crises, Surging Business Recovery Sparking Few Policy Changes, P/W Survey Shows

New York—The accelerating business pickup, explosive international situation, and growing talk of a superboom are having little effect on the over-all buying habits of the nation's purchasing executives. They're refusing to be stampeded into any change from the tight-fisted policies of the past.

A spotcheck of major purchasing executives around the country reveals remarkable agreement on this point. Nearly all echo the sentiment of the procurement director for a major Midwest equip-

ment manufacturer who comments: "With prices still relatively stable and supplies more than ample, I see no justification for any policy switch now."

However, most P.A.'s are painfully aware that this "buyer's market" could change overnight. This explains their growing determination to line up alternate sources of supply, resist price hikes, and the like.

Here's how basic policy seems to be shaping up now:

• **Inventories**—Stocks are being slowly built up, but only because of expected higher production volume. Days' supply (ratio of production materials inventories to sales) for most firms is actually below spring and summer levels, and should remain so over the next 60-90 days.

• **Lead times**—Though delivery time are lengthening somewhat—particularly in steel items like hot rolled carbon bars and hot and cold rolled sheets—it's hardly at an alarming rate, certainly not enough to warrant any substantial order stepup.

• **Price pattern**—There has been some trend toward smaller discounts. But with price shading still the rule rather than the exception, P.A.'s feel there's little danger of any big boosts. Even those buyers who see steel increases later on don't expect them to be across-the-board or more than \$3-\$5/ton.

• **Price strategy**—Prodded by their own firms' cost squeeze, P.A.'s are sharpening their strategy for meeting any possible increases later on. Substitution, alternate sources of supply, de- (Turn to page 40, column 1)

Fallout Shelter Makers Contemplate Zeroing In On Industrial Markets

Chicago—Wonder Building Corp., which has been selling family fallout shelters at a 1,000/week clip, is contemplating a jump into the industrial market. Prices will start at about \$15,000 for a 20 x 100-ft. steel and concrete structure accommodating 200 persons.

Other companies among the 50-plus shelter manufacturers now concentrating on a "quick-sell" to individual families also are eyeing the possibilities that industry offers. So unless the fallout "boom" peters out quickly, purchasing agents can expect a new kind of salesman to be waiting in the outer office. And beside him will be radiation detector experts and representatives of sundry other types of equipment manufacturers whose gear is vital for shelter "living."

So far, only a handful of firms have made provisions to protect (Turn to page 39, column 2)

Reynolds Metals to Enter Can Manufacturing Field

Richmond, Va.—Reynolds Metals Co. is going into the can-making business and will set up three assembly lines in Florida to supply the citrus industry with aluminum cans for the coming season.

The company has been processing, fabricating, and litho- (Turn to page 4, column 4)

Purchasing Week's Panorama

• **A Self-Correcting Inventory System** is doing much to relieve the routine chores of purchasing at North American Aviation. The spread on pages 22 and 23 shows how this system works and benefits North American purchasing men.

• **Reciprocity Is a Touchy Subject** among many P.A.'s, but it's an old, old story in the business world. Read what veteran purchasing expert George A. Renard has to say about it on page 20, and how he believes P.A.'s should handle it.

• **Another Flotilla of New-Model Cars** is presented for your consideration on pages 32 and 33. This week's 'Automotive Perspective' takes up the fleet potential of the Ford Fairlane and Galaxie, Mercury Monterey, Corvair, and Pontiac.

• **Management Recognition for Purchasing** is a long-standing goal in the profession. Consultant Arthur G. Pearson believes professional development is the place to start in the quest for such recognition. Read his comments on page 17.

Data Processed Food

Oklahoma City, Okla.—Taking a cue from industrial purchasing, a shopping center food store here will use a RAMAC computer for inventory control and ordering.

A computer in the Gordon Grider Economy Square store will transmit orders via telephone lines to its distributor's warehouse where meats will be packaged, weighed, and price tagged automatically in a single machine, then taken to the shopping center.

Purchasing Week's

Purchasing Perspective

In assessing the height and breadth of the current business climb, business forecasters are watching closely for signs of what's going to happen in two vital, interrelated areas: capital spending and profits.

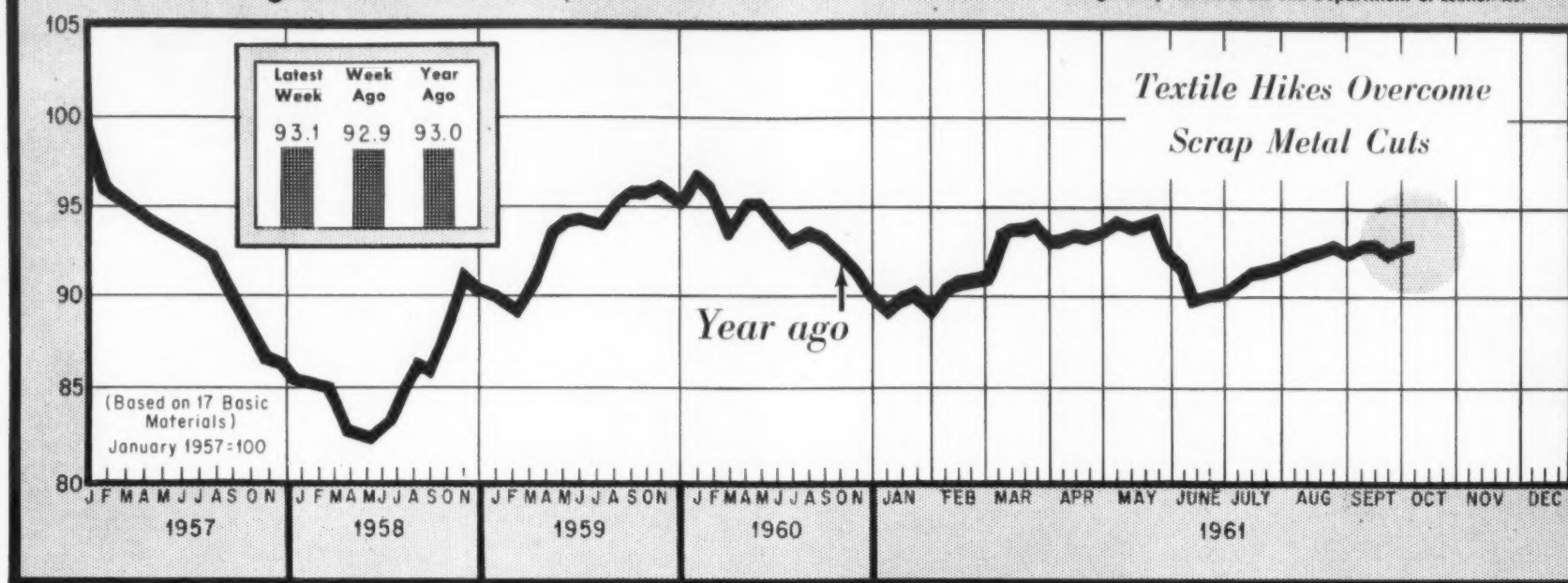
Businessmen already have indicated they plan to invest more money in new plant and equipment in the next three months. But it's also apparent that an even faster rate of capital expenditures will be necessary to spark a major boom.

The same goes for profits. "Whither Profits" is the pet topic of virtually any type of industry or business conference; and purchasing conference chairmen seem to have responded to popular demand that programs be oriented toward the profit-making concept.

(Turn to page 39, column 4)

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Oct. 4	Sept. 27	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.	5.30	5.30	5.30	0
Aluminum, pig, lb.	.24	.24	.26	- 7.7
Secondary aluminum, #380 lb.	.212	.212	.237	-10.5
Copper, electrolytic, wire bars, refinery, lb.	.306	.306	.325	- 5.8
Brass, yellow, (sheet) lb.	.493	.493	.506	- 2.6
Lead, common, N.Y., lb.	.11	.11	.12	- 8.3
Nickel, electrolytic, producers, lb.	.813	.813	.74	+ 9.9
Tin, Straits, N.Y., lb.	1.211	1.223	1.031	+17.5
Zinc, Prime West, East St. Louis, lb.	.115	.115	.13	-11.5
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl.	2.20	2.20	2.30	- 4.3
Fuel oil #6 or Bunker C, N.Y., barge, bbl.	2.62	2.62	2.62	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.	2.10	2.10	2.05	+ 2.4
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount)	.025	.025	.045	-44.4
Gasoline, 92 oct. reg., Chicago, tank car, gal.	.11	.11	.126	-12.7
Gasoline, 84 oct. reg., Los Angeles, rack, gal.	.108	.108	.108	0
Kerosene, Gulf, Cargoes, gal.	.095	.095	.09	+ 5.6
Heating oil #2, Chicago, bulk, gal.	.088	.088	.095	- 7.4
CHEMICALS				
Ammonia, anhydrous, refrigeration, tanks, ton	94.50	94.50	94.50	0
Benzene, petroleum, tanks, Houston, gal.	.31	.31	.34	- 8.8
Caustic soda, 76% solid, drums, carlots, cwt.	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.	.123	.125	.138	-10.9
Glycerine, synthetic, tanks, lb.	.248	.248	.293	-15.4
Linseed oil, raw, in drums, carlots, lb.	.188	.188	.161	+16.8
Phthalic anhydride, tanks, lb.	.175	.175	.185	- 5.4
Polyethylene resin, high pressure molding, carlots, lb.	.275	.275	.275	0
Polystyrene, crystal, carlots, lb.	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.	13.15	13.15	18.10	-27.3
Shellac, T.N., N.Y. lb.	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.	.056	.056	.056	0
Titanium dioxide, anatase, reg. carlots, lb.	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.	17.75	17.75	17.75	0
Bond paper, #1 sulfate, water marked, 20-lb, 16-carton lots, cwt.	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.30	0
BUILDING MATERIALS				
Cement, Portland, bulk carlots, fob New Orleans, bbl.	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	107.00	110.00	120.00	-10.8
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	122.00	122.00	134.00	- 9.0
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm	82.00	82.00	82.00	0
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.	60.00	64.00	68.00	-11.8
TEXTILES				
Burlap, 10 oz, 40", N.Y., yd.	.139	.132	.125	+11.2
Cotton middling, 1", N.Y., lb.	.355	.355	.323	+ 9.9
Printcloth, 39", 80x80, N.Y., spot, yd.	.178	.178	.188	- 5.3
Rayon twill, 40 1/2", 92x62, N.Y., yd.	.205	.205	.225	- 8.9
Cotton drill, 1.85, 59", 68x40, N.Y., yd.	.375	.375	.36	+ 4.2
Wool tops, N.Y., lb.	1.610	1.610	1.430	+12.6
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.220	.215	.170	+29.4
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.295	.300	.352	-16.2

Purchasing Week's

Price Perspective

CURIOUS COINCIDENCE—Industrial buyers who keep a sharp eye on Wall Street might have spotted the recent aluminum price decrease ahead of time—had they interpreted market statistics as some of the "Monday morning" experts now are doing.

Security analysts note, for example, that security prices of all three major aluminum companies suddenly started declining sharply about two weeks before the metal price reductions were announced. Over that short period, Reynolds stock dropped 12 1/2%, Alcoa 10.4%, and Kaiser 7.8%.

This should have been the tipoff that something really big was brewing, say these experts, for you can't explain a stock market decline of such magnitude in terms of demand and profits when both of these factors have been steady to slightly higher in recent months.

A word of caution: Security prices rise and fall for many reasons. So before even starting to suspect an impending price change, determine whether the Wall Street fluctuations are (1) industrywide, (2) sharp, and (3) not explained by the demand, profit, or general business outlook.

ALUMINUM REPERCUSSIONS—Lower aluminum tags will have a lot of side effects. Outside of the obvious "go slow" warnings to steel, the price decline will tend to:

- **Curtail discounting and price shading**—New aluminum product prices are more realistic, representing the actual going market price in most instances. Aluminum officials hope that, by removing fictitious lists, they can again build up the firm price structure that used to characterize the industry.

- **Depress imports**—The new price for aluminum ingot reduced the price advantage of foreign fabricators who up to now could get the light metal at substantially lower prices than their domestic counterparts. This step toward equalization of metal costs should reduce imports of semifabricated products which have been running 10% higher than last year.

- **Keep pressure on copper**—For the immediate future, a lower aluminum quote is just one of the many factors pointing to easier prices. But even if the copper outlook firms up again, it's hardly likely that producers would risk enlarging the price differential—which now gives competitive aluminum a significant 7¢/lb. or 23% price advantage.

- **Weaken magnesium**—Some observers feel that the aluminum move puts magnesium in a precarious position. At 36¢/lb., magnesium is now 12¢ more than aluminum, enough to put the industry at a decided competitive disadvantage.

DISSENTING VIEW—Excess capacity may not be quite the problem that most business analysts make it out to be.

That's the view of Chase Manhattan Bank economists writing in their latest Business Newsletter. They note that plant expansion over the past few years has been relatively moderate—in fact, a bit below the rise in general business activity over the same period.

Their conclusion: "If production should expand during the next year in line with the average recovery pattern of the postwar period, an advance of about 10% could be registered. Even with some further growth in capacity, such an advance would lift operating rates in many industries to high levels, paving the way for a new expansion."

Any such trend toward close-to-capacity operations would mean firmer prices—particularly in such depressed areas as metals and machinery.

GE Hikes Big Transformer Prices; LMI Cuts Tags on Smaller Models

New York—Distribution transformer prices took divergent paths last week. Line Material Industries, a division of McGraw-Edison Co., cut prices from 2% to 7% on its 37½ and 75 kilovolt-ampere single-phase transformers, while General Electric raised prices 6% on transformers above 500 kva.

The GE move was described as a partial restoration of price cuts made under the poor marketing conditions of last year. Line Material's reductions had some of the aspects of a pricing readjustment, said vice president Earl Williams. "The general readjustment of transformer prices initiated by

GE last July," he explained, "resulted in a system of preferred kva ratings—10, 25, 50, and 100—with lower cost per kva to make these ratings more attractive to purchasers than in-between ratings. Customers resisted paying more for in-between transformers, and some of the smaller manufacturers pared their prices on them. Our action was taken to line up the cost of 37½ and 75 kva transformers with the cost of the preferred ratings."

This Week's Scrap Prices

	Oct. 4	Sept. 27	Year % Yrly Age Change
Steel, #1 hv, dlvd Pitt, ton.....	38.00	38.00	28.00 +35.7
Steel, #1 hv, dlvd Clev, ton.....	37.00	37.00	29.00 +27.6
Steel, #1 hv, dlvd Chic, ton.....	41.00	41.00	28.00 +46.4
Copper, #1 wire, dlr buy, fab NY, lb.....	.235	.24	.22 +6.8
Copper (hv) & wire mix, dlr buy, fab NY, lb.....	.215	.22	.20 +7.5
Brass, light, dlr buy, fab NY, lb.....	.12	.125	.105 +14.3
Brass, hv yellow mix, dlr buy, fab NY, lb.....	.145	.15	.125 +16.0
Alum (cast), mixed, dlr buy, fab NY, lb.....	.10	.10	.095 +5.3
Alum (sheet), old clean, dlr buy, fab NY, lb.....	.095	.095	.095 0
Zinc, old, dlr buy, fab NY, lb.....	.03	.03	.035 -14.3
Lead, soft or hard, dlr buy, fab NY, lb.....	.07	.07	.083 -15.7
Rubber, mix auto tires, dlvd Akron, ton.....	11.00	11.00	11.00 0
Rubber, synth butyl tubes, East, dlvd, lb.....	.068	.068	.070 -2.9
Paper, old corrug box, dlr, Chic, ton.....	19.00	19.00	18.00 +5.6
Paper, #1 mixed, dlr, NY, ton.....	5.00	3.00	1.00 +400.0
Polyethylene, clear, dlr, NY, lb.....	.05	.05	.10 -50.0

Calif. Redwood Output Lagging Behind '62 Total

San Francisco—California redwood production is still substantially behind last year's totals, although production during August was higher than any month in a year, according to the California Redwood Association.

Total board feet of redwood produced by 11 major producers this year was 55,860,000, slightly below the August 1960 figure of 55,961,000. August figures are normally high, as mills make up for shutdowns during the July vacation period.

Price Briefs

Polystyrene—Price decisions on polystyrene are due today from Dow, Monsanto, and Union Carbide. Following Rexall's price move last month, Dow also announced a 1¢/lb. increase—to 19¢—for general-purpose crystal effective Oct. 1, but then postponed it. Monsanto, second to Dow in polystyrene production, likewise rescheduled a decision on an increase announced for color polystyrene, as did Union Carbide on a similar 1¢/lb. hike on medium-impact styrene compounds and on natural and colored general-purpose. Key to the price juggling is considered to be Monsanto's decision on its general-purpose crystal.

Automobiles—Dealers are making fewer price concessions on leftover 1961 models. The reason: lower inventories. Stocks of '61s at new model introduction time were down to about 350,000 units—40% below "old-model" inventories a year ago.

Lumber—Tags on sanded fir plywood dropped \$4 a thousand square feet on the key ¾-in. grade. The new rate, \$60/msf, puts prices down to postwar low—and \$8 below last year's level. Over-production is behind the decline.

Lab glass—A new discount rate of 28% on 150-case orders of Pyrex, Vycor, and Corning brand laboratory glassware has been announced by Corning Glass Works.

Multiwall bag paper—Crown Zellerbach Corp. is increasing the price of multiwall bags 4%, and the price of unbleached and bleached multiwall bag paper by \$10.00 a ton. Both changes are effective next Jan. 1, and reflect better demand for these products.

Paper tape—Nashua Corp. posted a 10% price increase on tape used in making paper cartons, effective Oct. 27.

Chromium alloys—All major companies are following Union Carbide's lead in increasing ferrochrome prices about 2¢/lb. Cost squeeze is behind the boost.

Aluminum conductors—All major producers are following Alcoa's lead in reducing many types of aluminum electrical conductor by ½¢/lb. of aluminum content. Recent 2¢/lb. ingot slash is behind the cut.

MORE SIZES

WITH THE INSIDE OUT

**MORE ALLOYS
MORE TEMPER**

**IN ALCOA
ALUMINUM**

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APICS Tackles P.A. Problem—Sales Forecasts

Chicago—Experts assembled by the American Production and Inventory Control Society (APICS) for two days of conferences and seminars emphasized repeatedly one of purchasing's major inventory problems—obtaining an accurate sales forecast and keeping it up to date.

From their most advanced, statistical theories to the operating case studies of inventory scheduling, the starting point for every APICS expert was getting the best possible marketing study and adapting to it. And if the hints exchanged by society members on maintaining a profit-oriented inventory gain momentum, it will be a mixed blessing for purchasing.

Good Ordering Is Key

On the plus side, James E. Sullivan, president of Borg Instrument Corp., in a seminar devoted to the cost-price squeeze pointed out that good ordering is one of the keys to good production control. "If you can control this portion of the business," he said, "you can control all of it."

Adding to Sullivan's point, William H. McKinley, director of the Warehouse Div., Sealed Power Corp., told the seminar: "Inventory is the biggest factor in today's price-cost squeeze. If you do not have inventory management now, you've got to sell top management on the idea that profits can come from inventory turnovers as well as sales."

The point both speakers drove home is that the sales department must work closer to the procurement and production functions by constant updating of sales forecasts. To the purchasing agent this would mean more liaison with marketing research activities and help from the sales force in holding down incoming materials inventories.

Routinize the Routinable

In a session dealing with advanced concepts and techniques, two production managers outlined from actual practice how the manufacturing arm can take some of the load off purchasing. Representing a fabricating company, Geoffrey Etherington, production manager of Vickers Electric Products Co., explained his approach was "to routinize the routinable" in 90% of purchased parts and then concentrate on the 10% of exceptions.

In the Vickers system the high dollar value items are subject to only three human reviews in an automated purchasing program.

The first screening, after the bill of materials is explored for purchase requirements, is to determine order quantities. Second review is made by the purchasing department of the machine-printed purchase order to see if a change of vendors is necessary. Finally, production control approves the order.

Advised Etherington, "Avoid the temptation of over-collecting data just because your machines are able to print out lots of details. Most of the time you don't need all the data you think you do."

Speaking for a processing company, Inventory Control Manager J. N. Durben of Miles Laboratories, Inc., reported how his firm's tabulation and computer is set up. Like the Vickers manager, Durben works on the exception principle. At Miles the manufacturing schedule is put through a computer to determine requirements—when

needed, what vendor, and how much is on order. The purchasing department checks and edits orders on an exception basis only.

In Operations Research discussion, the far-out planners also demonstrated their efforts to obtain better sales forecasts to ease the strain on purchasing and manufacturing scheduling. Robert W. Murray, senior analyst for the Chicago consultant firm of Caywood-Schiller Assoc., presented a system for correcting sales planning before an inventory build-up. The idea is to get the accuracy of sales predictions as a percentage by comparing past normal-year forecasts with actual sales in the same period. Then, to get the cost of carrying inventory under the forecast for the coming year, the percent of difference is compared with the contemplated demand, using mathematical probability principles.

Copper Tags Expected to Weather Current Price-Weakening Forces

(Continued from page 1)

bid price for copper scrap to 25¢/lb. (No. 2 heavy copper and wire), the equivalent of 30¼¢/lb. refined copper. The smelter bid price was 26¼¢/lb. a month ago.

• Quotes on the London Metal Exchange (LME) for refined copper ranged some 3¢/lb. below the New York price for more than a week. Usually a margin of more than 2.7¢/lb. (1.7¢/lb. duty and about 1¢/lb. transference costs) is a strong signal of domestic weakness.

• Recent figures indicate a definite pickup in imports of copper and brass mill products. Industry analysts point out that these pressures stem mainly from sagging European demand. The domestic market is considered healthy and insulated to some extent from outside influences. Both producer and consumer inventories are below excessive levels and moving rapidly. August copper consumption set a peacetime record for the month, and orders already on the books indicate that a fourth-quarter record may be materializing.

According to a large eastern scrap dealer, the copper scrap reductions simply mean that "inequities in the industry price structure are being ironed out. Don't forget that smelter pub-

lished buying prices are just bid prices. I can pick up my phone now and sell my No. 2 copper at 26¢/lb. Japanese buying has sloughed off and now scrap prices are getting in line with refined level. Scrap isn't scarce any more, but the supply pipelines are still below normal."

Dealer sales below the prevailing 31¢/lb. level were also ticked off as an insignificant sign of domestic price weakness. "This is fringe business," explained a major custom smelter. Any time overseas tags go down some dealers sell on a spot or fill-in basis below the domestic price. But the smelters and producers who transact the great bulk of U. S. business are holding firm at the current price."

The industry isn't worrying either about the 3¢ margin—it went as high as 3½¢ recently—between the New York price and LME quotes.

"It's unusual for such a differential to continue for any length of time," said one industry analyst, "but it's very possible that current inventory practice may make it unprofitable to buy even at this margin. P.A.'s have become accustomed to shorter lead times on their orders, and domestic mills carry much of their inventory for them. Nowadays on foreign purchases they have to balance off lower copper prices against increased inventory expense."

Revere Brass' recent ¾¢/lb. hike on copper roofing sheet and its rescinding two weeks later are good examples of how closely domestic prices move with those of imported goods. The downward adjustments in size extras for rolled plates, circles and half circles, initiated by the American Brass Co. last week, are further evidence.

The competitive pricing has cut imports down substantially over the past 9 to 10 months, say brass mill spokesmen. An abrupt reversal of this trend, however, occurred in July—the latest available statistic—when copper and brass imports showed a sharp 9% gain over June. But even this doesn't faze the U. S. producer.

McCormick Taps Procurement Chief For New Post of Top-Level Advisor

Baltimore — Adjusting to a need for longer-range procurement planning in its predominantly international buying activities, McCormick & Co., Inc., has created a new corporate post of director-procurement advisor.

This month, corporate Director of Procurement Lester W. Jones stepped into the new post in which he will report directly to the company's president. Reason for the move, according to McCormick, is to tap Jones' ex-

perience in the complicated international purchasing field and put his recommendations at a top level. Mainly, Jones will be a coordinator, keeping purchasing up to date in international developments that affect the company, including the impact of political changes on materials sources. McCormick is a major importer of spices and other food products.

Howard C. Wolf, formerly director of procurement for the

Reynolds Metals Plans Can-Making Facilities At Three Florida Sites

(Continued from page 1)

graphing aluminum can stock for more than a year to supply Minute Maid, Birds Eye, and Winter Garden, but this marks the first time that Reynolds has offered users finished cans.

Reynolds claims that cans from their facilities will be priced "competitively" with "thin tinplate" in both 6-oz. and 12-oz. sizes. The move was made, according to the company, because Florida can makers have been "reluctant to pass reductions in raw material on to customers" in the form of cheaper cans.

The new integrated setup gives the aluminum producer complete control over finished can prices—another weapon in the fight with tinplate for the citrus market.

Although aluminum still has less than 1% of the over-all can market, it managed to win over 50% of the Florida citrus pack last year.

Four can-assembly lines now are operating in the plants of Florida juice packers, all using aluminum can parts supplied by Reynolds. The combined monthly capacity of these four and the three to be operated by Reynolds is 70-million cans, about half the seasonal monthly requirements of the Florida juice concentrate industry.

Reynolds claims its plants "will provide valuable nearby technological service to customers who assemble their own cans. It will shift development work from their plants to ours, and serve as a center of aluminum can know-how for the entire Florida citrus industry."

The company currently is developing methods for producing welded aluminum cans for heat-processed food products, using machinery produced by New Rochelle Thermatool Corp., New Rochelle, N. Y., which produces welded aluminum can stock at speeds triple that of conventional can-making methods.

Surplus Trade Exhibition Switched to Nov. 25-29

Chicago—The National Surplus Dealers Assn. has rescheduled its Industrial and Government Surplus Trade Exhibition in Veterans Memorial Auditorium, Columbus, Ohio.

Horst H. Backer, executive director, said the date was changed to Nov. 25-29 to avoid direct conflict with other trade shows. All firms or groups interested in surplus goods are invited to participate in the exhibition, said Backer.



L. W. Jones



H. C. Wolf

McCormick Div., has taken on the vacated slot of director of corporate procurement. Jones and Wolf, who have been with McCormick for 29 and 20 years respectively, will work closely together in procurement decisions, a company spokesman said. However, as in the past, the divisional procurement directors will report to the corporate director.

Succeeding Wolf was John C. Doub, who had held the position of assistant to the vice president-human relations. Doub also has had extensive experience in the firm's procurement operations as well as in the marketing, production, and administrative functions of the business.

According to the firm, Doub's moves have been a part of McCormick's policy of shifting executives through all phases of the company, so that his step from human relations to purchasing was not considered unusual.

Aluminum Industry Seen Next Target for Kefauver

Washington — The Kefauver Committee appeared last week to have made the aluminum industry the target of its newest price investigation and began by issuing subpoenas to 20 smaller companies, mostly fabricators and secondary producers.

Major primary metal producers, such as Alcoa, Kaiser, and Reynolds, were not subpoenaed for what the Senate Antitrust and Monopoly Subcommittee termed a "preliminary investigation."

The subcommittee is interested in two phases of the aluminum industry: prices, and the extent of activity of primary metal producers in fabricating. Sen. Estes Kefauver (D-Tenn.), chairman of the subcommittee, has conducted extensive hearings into "administered" prices. The Justice Dept.'s Antitrust Division already has antitrust suits pending against primary metal producers acquiring fabricators.

Subcommittee staff members stressed that no decision has yet been made as to how extensive the group's inquiry would be into the industry. Purpose of the "preliminary" investigation is to gather information to determine whether a full-scale Congressional inquiry is called for.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,131	2,114	1,558
Autos, units	110,435	78,463*	138,954
Trucks, units	24,923	18,804*	23,014
Crude runs, thous bbl, daily aver	8,139	7,934*	7,949
Distillate fuel oil, thous bbl	13,344	12,882	12,583
Residual fuel oil, thous bbl	5,980	5,720	6,168
Gasoline, thous bbl	29,968	28,196	29,018
Petroleum refineries operating rate, %	82.0	79.5	81.2
Container board, tons	186,633	192,371	169,556
Boxboard, tons	104,870	103,841	94,825
Paper operating rate, %	91.7	94.6*	93.7
Lumber, thous of board ft	236,850	228,684	240,321
Bituminous coal, daily aver thous tons	1,443	1,462*	1,391
Electric power, million kilowatt hours	15,340	15,025	13,779
Eng const awards, mil \$ Eng News-Rec	450.5	465.4	602.8

*Revised

cut man-hours to minutes

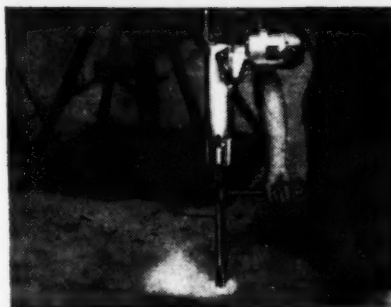
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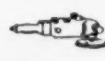
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Washington Perspective

The Kennedy Administration is looking for a formula to hold down "excessive" union contract settlements. The White House insists that it will speak "with equal clarity" to the United Steelworkers about its wage demands next year as it has to the steel industry this year to avoid a price hike. But a formula is needed. The Administration cannot oppose any wage increase, no matter the size.

In an effort to spell out its estimate of a noninflationary wage settlement, the Administration is looking to the President's labor-management advisory committee. It wants the group to devise a formula on productivity gains that could be related to the steel industry. It is possible that when the time comes for

bargaining in the steel industry the Administration will set boundaries for the contract agreement.

The anticipated pressure may restrain the steelworkers in their demands. But the big question lingers—just what size wage increase will the Administration consider that will not result in higher prices? Labor Secy. Arthur Goldberg has given two clues on this: He found the 33¢, three-year agreement reached in the auto industry "moderate." And he described as "just"—reflecting both productivity and unit costs—the latest 7¢-10¢ automatic hike of the United Steelworkers.

Domestic airlines are considering setting up a common stockpile of airplane parts to cut purchasing costs.

The idea was presented informally by financially pressed trunk airlines to the Civil Aeronautics Board, which would have to approve such a move.

The board indicated to the presidents of the major airlines that it would not object to the parts pool if the carriers could work

out a satisfactory arrangement. U. S. carriers serving overseas points already operate such a stockpile.

The first real improvement in months in unemployment is reported by the government. Unemployment declined 450,000 in September to 4.1-million—still an unusually high 6.8% of the labor force. But officials are encouraged by two key factors: Long-term unemployment (15 weeks or more) declined far more than in recent months; and the unemployment rate among adult men fell from 6.1% to 5.7%, a decline better than the normal seasonal drop.

Seymour Wolfbein, Labor Dept. manpower chief, says these are "very favorable results" and indicate that the job picture will get much brighter during October. He expects unemployment to drop more than seasonally this month.

Even if it hangs at the present 6.8%, it still will fall below the 4-million mark—to 3.9-million—for the first time since October 1960.

The White House is privately expressing a good deal of pleasure over the situation since unemployment has been the hard nut to crack in an otherwise rising economy.

Truckers of dangerous products have scored points in preliminary skirmishing over a federal investigation into train-truck accidents. The skirmishing revolves around Interstate Commerce Commission hearings that open Oct. 25 into the question of new safety regulations aimed at reducing rail-crossing accidents involving trucks carrying radioactive, explosive, flammable, or poisonous materials.

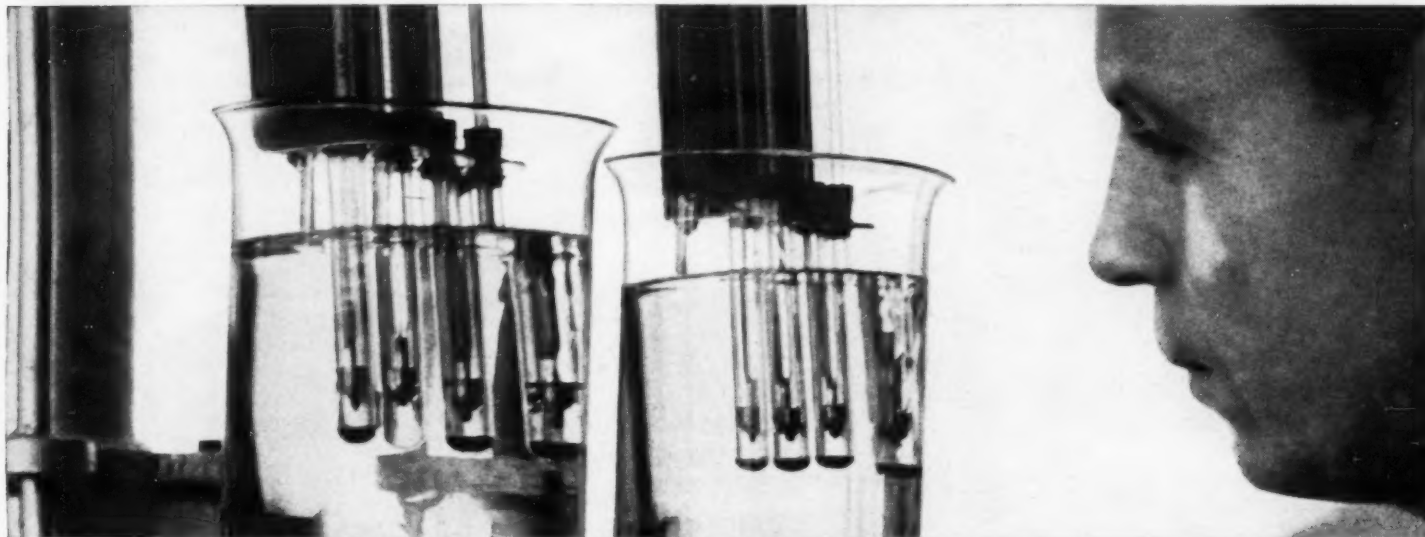
Hearings will go on as scheduled as to whether such new safety regulations are needed. But truckers succeeded in getting the ICC to divorce from the proceedings the question of whether private, nonregulated trucks hauling such materials should be registered with the commission. This issue will be heard at some later, indefinite date.

ICC also accepted a plea by truckers to include the question of safety regulations for the railroads in the hearings.

The Pentagon has organized for the first time a "director of procurement management."

Function of the new unit, to be in the Office of the Assistant Secretary for Installations and Logistics, will be to set up standards for reviewing the performance of the 50 or more major military procurement agencies. A high-ranking civilian official now assigned to Wright-Patterson Air Force Base in Ohio is expected to be named director of the new office.

Also being set up is a program to review how the major field agencies select contractors and how they are organized to administer contract work. Pentagon officials feel that more unified policies of this type would lead to greater procurement efficiency. So does Sen. Paul Douglas (D-Ill.), a long-time critic of military buying policies. He says great progress has been made in these and other recent steps taken by the Pentagon.



Dropping point test shows how greases react to heat. Beaker fluid has been heated to 390°F. All greases tested except Darina (second tube from left) have passed from solid to liquid state.

BULLETIN:

Shell reveals the remarkable new component in Darina Grease that helps it save up to 35% on grease and labor costs

Darina® Grease is made with Microgel®, the new thickening agent developed by Shell Research.

Darina lubricates effectively at temperatures 100° hotter than most conventional soap base greases can withstand.

Read how this new multi-purpose industrial grease can help solve your lubricating problems and even save you up to 35% on grease and labor costs.

THERE IS NO soap in Darina Grease. No soap to melt away—wash away—or dissolve away.

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ery. Savings of up to 35% on grease and labor are quite possible.

In some cases lubrication intervals have been extended to double what they were before. Less grease is consumed and less time consumed applying it.

For details, see your Shell Representative. Or write: Shell Oil Company, 50 West 50th Street, New York 20, New York.

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Manufacturer Bemoans Fine Print In Military Procurement Contracts

New York—Military contracts are becoming bogged down in a welter of fine print, a Virginia manufacturer charged at the 18th annual meeting of the National Security Industrial Assn. here.

The fine print is the "large family tree of reference specifications" which are written into every government contract and which often run for pages and pages.

R. M. Pitts, assistant to the vice president for contract management of Melpar, Inc., Falls Church, Va., cited the case of one electronics contract where two references "pyramided" into 360 specifications.

These nonapplicable specifications result in lengthy negotiations between the prospective supplier and the governmental agency involved before the contract can be signed, Pitts said.

"I have known it to take as long as three months to straighten out nonapplicable specifications on some contracts," Pitts said.

Pitts headed an NSIA committee of 14 experts in various fields which met recently with Dept. of Defense officials in an effort to eliminate excessive specification in government contracts.

The 14 experts included representatives of the electronics, automotive, aircraft, and missile industries as well as construction contractors.

"It's amazing how universal the complaints were," Pitts said. Among Pitts' recommendations were:

- Minimization of references

Tri-City P.A.'s Advised On Necessity of Reports

Moline, Ill.—The subject of reports to management held the attention of members at the Tri-City Purchasing Agents Assn. monthly meeting.

George Thomas, purchasing agent, and Vernon Dick, senior buyer, both of Pioneer Central



PANELISTS: George Thomas (seated) and Vernon Dick (standing) field questions from fellow P.A.'s at Tri-City P.A. Assn. meeting.

Div., Bendix Aviation, headed a pre-meeting panel discussion on this subject.

Both Thomas and Dick stressed the importance of formal reports and said they should be utilized by the small company purchasing agent as well as a P.A. for a large organization.

Covering the pros and cons of what should be included, they said reports of dollar volume, requisitions processed, materials received on time, and materials delayed rated inclusion.

Alabama to Require Use Of Steel Made in U.S. On State Highway Jobs

Birmingham—The Alabama State Highway Dept. amended its specifications to require use of domestic steel in construction of state highways and bridges.

The amendment can be waived, however, if a domestic shortage of steel should develop, according to a department spokesman. The amendment requires that all steel used by the department, including reinforcing for highways and structural steel for bridges, be produced in

the U.S., its territories or possessions.

The Alabama regulation is in line with a recent recommendation of the Southern Building Code Congress urging its members to require domestic steel in construction programs.

Houston Chemical Begins Output at Beaumont Plant

Beaumont, Tex. — Houston Chemical Co. has made the first shipment of tetraethyl lead from its new plant here.

At the same time, the company said capacity of the plant has been expanded to 100-million lb./yr. of antiknock com-

pounds, an increase of more than 50% over the 65-million lb./yr. capacity originally planned.

The company said its original sales goal of 10% of the market, or about \$27-million/yr., has been increased to 15%, or about \$40-million/yr.

Rattray Changes Name

Hicksville, N. Y.—George Rattray & Co., Inc., a subsidiary of Instruments for Industry, Inc., has changed its name to Raytron Electronics, Inc. The firm said the change was made to identify the company more closely with the Raytron brand name of its precision potentiometers.

COSTS LESS TO BUY AND ERECT!



New one-piece shelf clips lower shelving costs—can be installed without tools. Made of heavy gauge steel, the clips are strong enough to support heavy loads.



Up to 50% saving on erecting costs. This standard 8-shelf unit was erected by 2 men in less than 10 minutes, thanks to the new one-piece shelf clips.

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New clip-type shelves go in and out without tilting. Shelves need not be unloaded to be repositioned. What's more, no tools are required to make shelf adjustments.



Shelves are adjustable on 1½" centers. This feature, plus the beaded front post, eliminates wasted space—gives more useable storage capacity in less floor space.

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Alcoa Develops 4 Alloys For Extrusion Industry

Pittsburgh—Aluminum Co. of America is offering four new alloys for the extrusion industry—three previously unavailable in ingot form and the fourth a new variety of extrusion alloy 6063.

Alloy C914, the new version of 6063, is said to provide a better combination of mechanical properties and extrusion speed. Applications include the full range of hollow and solid shapes, and it is useful for applications requiring a matte finish and a wide range of hues.

Extrusion alloy C58 is suited for extrusions to be porcelain-enamelled, and alloy 6563 can be anodized to a brighter, more uniform, reflective finish than other moderate-strength extrusion alloys, according to Alcoa. For architectural extrusions requiring a gray finish, alloy 4543 comes in three versions—light, medium, or dark gray.

J&L Furnace Contract Awarded to Koppers Co.

Pittsburgh—Jones & Laughlin Steel Corp. awarded a contract for construction of large blast furnace at its Cleveland works to Koppers Co., Inc.

Construction is to begin immediately, with completion scheduled for early 1963. While declining to give the annual iron-making capacity of the furnace, a J&L spokesman said it will be the largest in the Cleveland area. This means it will have a capacity of over 630,000 tons.

J&L said the new furnaces will be used to supply iron to two basic oxygen steelmaking furnaces which went into operation last month as well as to three modern steelmaking open hearths. Coupling of the new furnace with the existing facilities will enable the company to dismantle eight obsolete open hearths.

New York Gets Lower Rock Salt Bids Despite Tighter Delivery Demands

New York—New York City will pay 57¢/ton less for rock salt this year than it did in 1960.

Low bid of \$12.83/ton was submitted this year by Morton Salt Co., said Samuel Adler, assistant director of purchases. This compares with the \$13.40/ton which the city paid in 1960. Other bids submitted this year were \$12.99/ton and \$14.32/ton.

The 1961 contract is for 30,000 tons, plus an additional

20,000 tons on an "if needed" basis, said Adler. The bid price is for salt delivered to bins at city storage terminals. In the case of New York, this includes rail, water, and truck transportation costs.

Adler pointed out that the price of salt dropped this year even though the city has tightened up its delivery conditions.

"Under this contract we are requiring that trucks be weighed just before making their deliveries to the storage points," he said. "This is a new policy which the city plans to make standard on other bulk commodity contracts. Up to now, the city has been using empirical formulas, based on volume or capacity of a truck, to determine how much was being delivered. The actual weight should give us a much more accurate picture."

Calif. Accuses 15 Firms Of Price Fix Conspiracy On Concrete Block Sales

Los Angeles—The State of California charged 15 Los Angeles area companies with conspiring to fix the price of concrete blocks in a criminal anti-trust suit filed in Municipal Court here.

The suit claimed the companies control about 80% of the concrete block sales in southern California. Three individuals also were named in the complaint. If convicted, they could be sentenced up to a year in jail and fined a maximum of \$5,000.

The state charged that the defendants held price-fixing meetings in a Los Angeles hotel from January to October 1960. It is said that they created a "slush fund" to subsidize alleged fellow conspirators in underselling competitors who did not follow the set prices.

Girdler Process to Make 'Pilfer-Proof' Bottle Caps

Louisville, Ky.—Girdler Process Equipment Div. of Chemetron Corp. has acquired equipment for high-speed production of "pilfer-proof" aluminum bottle caps by purchasing the assets of Super Machine Works, San Francisco.

The bottle caps, which can be produced at the rate of 24,000/hr., are designed to make bottles pilfer-proof by leaving rings of aluminum around bottle necks when unscrewed. Girdler believes the caps have wide potential use for bottling such products as foods, pharmaceuticals, wines, and liquors.

Plasma Flame Cutting

Chicago—Steel distributor Joseph T. Ryerson & Son, Inc., is now supplying stainless steel cut by the plasma flame method. Ryerson said that stainless plates 3/16 in. to 2 1/2 in. thick can be cut to simple or intricate shape with the plasma flame cutter, free of dross and with quality of cut equal to or superior to that obtained with other cutting torches.



Even if you ripped out half your fixtures...

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Or you could get 2 1/2 times more light with the same number of fixtures you now have! Sylvania VHO (Very High Output) Powertubes are that much brighter than standard fluorescents. Yet they're only 1 1/2" in diameter. Light in weight. Easy to maintain (smooth tubular surface doesn't have nooks and crannies to catch dust which dims light).

And every one comes with this exclusive money-back guarantee: "If at any time a Sylvania Fluorescent Lamp fails in your opinion to provide better performance than any other brand fluorescent lamps, on the basis of uniformity of

performance, uniformity of appearance, maintained brightness and life, it may be returned to the supplier for full refund of purchase price."

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Dist. 1 P.A.'s Discuss Suppliers, Cost Cutting

Phoenix, Ariz. — Supplier relations and reduction of costs dominated informal group talk at the 14th Pacific Inter Mountain Purchasing Agents Conference here.

The two-day Dist. 1 session drew 250 purchasing men, most of them for small companies, and 150 wives.

E. Benton Long, purchasing agent, U.S. Lime Products Div., Flintkote Co., struck a timely

"Many of these suppliers are located in the eastern part of the country which necessitates an expedited air freight service," Long added. "But an idle plant has no production."

On the other hand, Richard Crenshaw, A. R. Maas Chemical Co., a division of Stauffer Chemical Co., pointed out how producers could and did cut costs to the customer's benefit.

"Savings, savings, everywhere you care to poke into," he noted. "Save on pallets by paying more and getting hardwood that lasts

10 times as long as fir. Save on boxes and special insulation by using molded styrofoam containers, etc."

Crenshaw pointed out that the industry, which formerly charged the customer \$125 deposit on 50-gal. stainless steel drums, now packages acid in fiber containers at 80% weight reduction and can give the container to the customer because of freight savings.

"I urge you to become experts in this field of packaging chemicals where value analysis can pay huge dividends," he urged.



SHIRTSLEEVE INFORMALITY: Going over the NAPA Dist. 1 conference program are (l-r) J. C. Owens, conference chairman; R. M. Sandvick and George Morrell, workshop co-chairmen; and W. J. Mullen, Jr.



COMPARING NOTES: Speakers at Dist. 1 conference included J. M. Bushnell (l) and R. T. Stark, Jr., NAPA president.

theme when he noted: "Too many suppliers cannot meet the shipment date promised when the order was placed. It is an economic impossibility to stock spare parts where there is a diversity of equipment. Thus we are many times at the mercy of the manufacturer in order to keep our plant in production."

This type of problem, he said, bobs up almost every time we place an order for a specialized item. Another exasperating situation, he added, is the manufacturer who can force us to return to him for nonstandard size parts.

GSA Slates Sales Of Longhorn Tin, Rhodium

Washington—General Services Administration has scheduled another sale of Longhorn tin, and also is preparing to sell off some exotic metals stockpiled during the Korean War.

Bids on the Longhorn tin will be due at 11 a.m. Oct. 18. The tin will be sold in lots of 10 tons each, including 80 lots of Grade A, 15 of Grade B, and 5 of Grade C.

If all 1,000 tons of the tin are sold, GSA will have disposed of all but 846 tons of an original Longhorn store of 3,933 tons. The remaining 846 tons is expected to be put up for bids as soon as possible after the Oct. 18 sale.

GSA also has asked Congress to authorize the sale of 50,000 tons of strategic stockpile tin next spring.

Korean War metals offered for sale include 184.79 troy oz. of 99.9% pure rhodium sponge and 109.74 troy oz. of 99.9% rhodium powder. Bids must be received by 11 a.m. Oct. 27, with the minimum acceptable bid being for the entire lot, both sponge and powder, f.o.b. New York.

The rhodium came from the ends of high-duty sparkplugs hastily stockpiled during the Korean action.

Rhodium is an important item in electroplating.

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Management Memos

On Seeking Status

It's hard to keep up with the latest gimmicks of the status seekers. Now, according to the folklore of the Executive Suite, you don't rate a man's importance by the amount of work he has piled on his desk—it's the bare-desk man who's the big cheese.

According to the furnishers of top management offices, the executive's stature can be gaged inversely by the amount of work he has on his desk. In fact, the desk loaded with papers, reports, cigarette butts, and chewed pencils is on the way OUT.

For example, the showrooms of Knoll Associates, makers of expensively austere contemporary furniture, have several model offices designed for executives of varying rank on the totem pole. For the middle management man, there's a choice of desks, each beautifully finished and handsome, but desks, nonetheless. For the Mr. Big, however, Knoll features an office with a couch, a few discreet etchings, and four chairs around an oval table. The table is a table—no drawers for paperclips, pads for feverish doodling, in-and-out baskets, and similar impedimenta to top-level thinking.

The idea is that the top dog doesn't "Do," he "Maps"—in his head. And since he spends a lot of his time in meetings, designers have built a "committee center" into his office with the table.

The tables are round or oval, not rectangular like desks on old board room tables. This gives a feeling of equality to those gathered for a session—there's no "head" or "foot" to the table. Result is a freer flow of ideas unimpeded by a formal position for the boss.

Sheltering the Boss

The desire not to have to tell the boss unpleasant things is one of the principal reasons that messages lose their impact on the way up the organizational ladder.

"Even when one is not directly responsible, he does not relish the reaction of his superior to a disagreeable message," says Dr. William Haney, associate professor of business administration at Northwestern University. "This motive probably accounts for a considerable share of the tendency for a 'message' to lose its harshness as it proceeds to the top."

This flow of bad news to upper management is a real danger, Haney explains, because key decision-makers are shielded from incipient problems until they become serious

and costly ones because subordinates don't want the truth to get top side.

Dr. Haney told a conference of the American Production and Inventory Control Society that at least three motives influence an oral "chain" message. They are: the dislike of conveying a detailed message; the reluctance to relay a message which is somehow incoherent, illogical, or incomplete; and the desire to make the conveyance of the message as pleasant and painless as possible for the conveyor.

He outlined 10 steps which should be taken to improve oral communication techniques. They are:

1. Take notes while receiving an oral communication.
2. Keep proposals and reasons clearly distinguished, rather than mixing them together indiscriminately.
3. Put what you think the sender said into your own words and get the sender to check you.
4. Distinguish between inference and observation.
5. Slow down the vocal pace of oral transmissions.
6. Simplify the message.
7. Use dual media when feasible.
8. Highlight the important or main points of the message.
9. Reduce the number of links in the chain.
10. Preview and review.

Security Standards

Tightened security regulations in defense contracts mean more administrative headaches to assure that records and facilities vital to national defense are closely guarded. For a complete how-to treatise on security, get the booklet Standards of Physical Security of Industrial and Governmental Facilities, from the U. S. Government Printing Office, Washington 25, D. C. Price is 30¢.

Aids in Print

The Small Business Administration has put out a series of booklets designed to help the small business man manage a plant or office. Collectively the group is called the Small Business Management Series. Here's a sample of just a few of the pamphlets available from the U. S. Government Printing Office, Washington 25, D. C.: Cutting Office Costs in Small Plants, 25¢; Improving Materials Handling in Small Plants, 20¢; and Executive Development in Small Business, 25¢.

Purchasing Parade

Arm a troop with 40 varieties of guns—a 5½-foot Kentucky squirrel rifle, a 3-inch derringer, a German pistol, a pepperbox—and this troop is either a general's nightmare or a collector's dream.

The troop so armed is **Hobie Troop** (right), **Senior Buyer** in the EDP Division Purchasing Department of **Minneapolis-Honeywell Regulator Co.** (Brighton, Mass.)—a gun collector of long standing.

"What interests me about guns?" he asks, "the works of them and the circumstances under which they were made. Who was the guy that bored this barrel a century ago, with what tools, where and why?"

In answer to his own questions, Troop says his Liberator pistol looks like it was made from scrap iron. It was distributed to people in oppressed countries for use against the enemy and was included in the Navy's survival jackets.

Among his souvenirs is a derringer—"the ace in the hole of Mississippi gamblers." Troop recalls "Gone With the Wind" and the derringer Rhett Butler had up his sleeve. There's also



a Smith and Wesson automatic pistol (1910) still in mint condition—there were only 200 made. For 40 firearms, Troop has 40 stories, and each weapon triggers off another.

Besides this unique collection, Troop also collects stamps and antique motorcycles which he used to ride in races. Before entering into purchasing, Troop

Personal glimpses of P.A.'s as they march by in the news

owned a tropical fish farm in Florida; then was a pioneer in the public address system industry. He collects hi-fi's and grandchildren by the dozen (24 at last count).

Shopping for bargains is a specialty of **George Lareida, P.A. for Spokane County, Wash.**

But Lareida is convinced he got his best bargain before he came to this post—he once hired Bing Crosby for only \$25 a week.

The Old Groaner was one of a group of five young musicians whom Lareida hired to play at a dance hall he operated in Spokane in the '20s. Lareida says the Crosby group, which also included Al Rinker, later asked to be released from their contract so they could try their luck in other cities. They became known as the Rhythm Boys and Crosby was headed for stardom.

Lareida started working for the County as land agent in '29; the following year he became P.A., the post he's held ever since. With all of this experience in purchasing, he still recalls his best bargain more than 30 years ago.

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Purchasing Week Asks

How do you feel about seeing salesmen only by appointment?

Question asked by: Philip Goldberg, Purchasing Agent
Arrow Display Associates, Philadelphia



A. J. Sisto, purchasing agent, Prudential Insurance Co. of America, Houston:

"Local buying has done much to identify us as a local concern and has enhanced our good will in this area. We operate under an open door policy. Salesmen are received promptly so that they can schedule their calls efficiently. However, we do encourage regular callers to try to make their calls on Monday, Wednesday, or Friday. But occasional specific appointment times benefit both the salesman and us when a special project comes up."



R. W. Keeler, assistant purchasing agent, John A. Manning Paper Co., Inc., Troy, N.Y.:

"I do not feel that seeing salesmen by appointment only is fair to the average salesman. Local representatives know about when you are available and regulate calls accordingly. The out-of-town representative is not always able to hold himself to a specific time schedule and should be seen as promptly as possible."



F. M. Brown, purchasing agent, Kinsman Mfg. Co. (electronic organs), Laconia, N.H.:

"I think it would be a real imposition and discourteous to insist on appointments as we are located in an outlying area. I feel the salesman has something to offer me; even if I am very busy, I make it a point to at least say hello and goodbye to every single salesman. Unless it is something special, salesmen do not generally call in ahead of time."



C. D. Krill, purchasing agent, Bliley Electric Co., Erie, Pa.:

"Our normal policy is an open door one. Every salesman is interviewed promptly, if not by a buyer, then by plant or engineering people who might be interested in his product. Seeing salesmen by appointment is followed only on occasions where a lengthy conversation is anticipated and detailed design data and relative problems are to be discussed, requiring the presence of engineering personnel. Engineers generally must schedule meeting time."



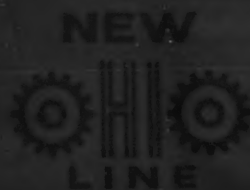
A. M. Sebastian, purchasing agent, Washington Brick Co., Washington, D.C.:

"In a small one-man operation like ours, the P.A. often has duties that take him out of the office. While we do not restrict interview hours or require appointments, salesmen are encouraged to telephone first. It must be discouraging to any salesman to make a call and find no one in. On the other hand I feel the salesman who calls early in the morning or late in the afternoon is not using good judgment."

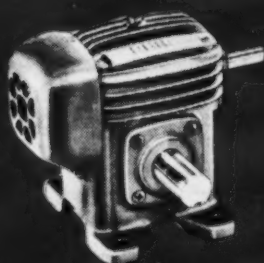
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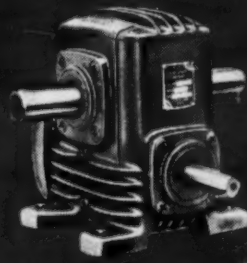
These fin and fan cooled reducers give up to 80% more capacity in far less space. Over 100 models from 1/16 to 18 horsepower. Available with "C" flange motor mounts.



U Series

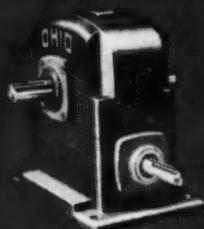


P Series

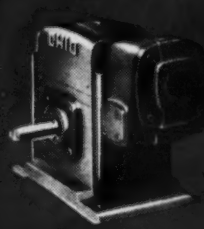


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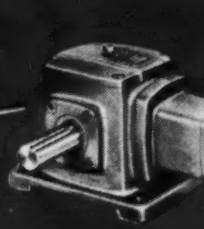
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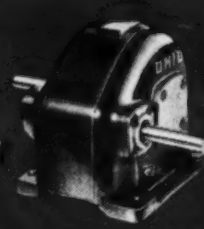
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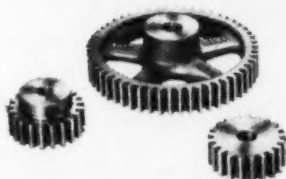
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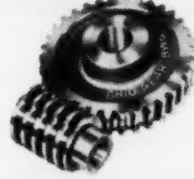
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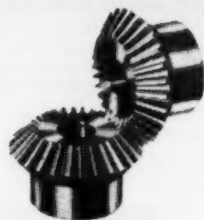
Helical Gear



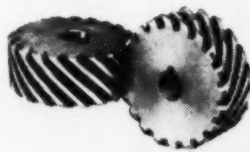
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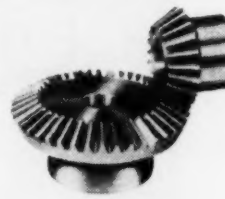
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The Law and You

MEETING OF MINDS

A contract is not binding unless there is a meeting of minds on all essential terms, according to a ruling by a Texas court. What's more, even where a binding contract has been effectuated, the party injured by a contract breach is obligated to reduce the damages if it is within his power to do so.

Both of these fundamental rules of law are illustrated in the following case:

Buyer sued seller for the return of a deposit he placed on equipment on the grounds that the seller had demanded \$727 instead of the agreed-upon price of \$525. Seller claimed he was entitled to keep the deposit because he had been damaged in that amount by buyer's refusal to keep his part of the bargain.

The court held that the minds of the parties had never met; hence, there was no binding contract and buyer was entitled

to have his deposit returned. The court also went one step further. Even if the contract was binding, the court said, the seller's claim to retain the deposit was invalid because he could have reduced the damage to himself by disposing of the equipment elsewhere.

"It is a fundamental rule," said the court, "that one injured in his person or property by the wrongful or negligent act of another . . . is bound to exercise reasonable care and diligence to avoid loss or minimize the consequences of such injury; he must protect himself from the injurious consequences if he can do so by ordinary effort and care at moderate expense." (Bryant v. Pennington, 346 S.W. 2d 367)

CIRCUMSTANCES BEYOND CONTROL

Failure to perform a contract can be excused when it is due to circumstances beyond the defaulting party's control. Take this case:

A property owner sued an oil company when his heating plant froze as a result of the company's failure to deliver oil. The defendant contended that the driver of the oil truck had attempted to make delivery in spite of impassable snow drifts but had finally become stuck in the snow. After six hours his truck was removed by a tow car.

The court ruled in favor of the oil company on the grounds that it had taken the proper precautions by equipping the truck with snow chains.

"Under the circumstances," the court said, "the driver of the truck was not required to take further risks, defy the elements and plow into an impassable roadway." (Whelan v. Griffith Consumers Co., Mun. Ct. of App. for D. C., 170 A. 2d 229.)

STATUTE OF LIMITATIONS

The period of limitation in which a suit must be brought for breach of sales contract is three years from the final date of payment stipulated on the contract. In a recent case, however, the question arose as to when the period of limitation begins on a sales contract carrying the credit term "2% 30, net 60," which means the buyer is entitled to 60 days' credit but can earn a discount by paying in 30 days.

Here is the case:

Seller sold goods at various times at "2% 30, net 60" and finally had to sue buyer for the purchase price. The earliest sale involved in the suit was made on Oct. 5, 1956; suit was brought on Dec. 2, 1959—within the three-year time limit, counting from the 60-day credit period.

Buyer claimed, however, that more than three years had elapsed since the sales contract, because seller demanded payment less than 60 days after some sales, and more than 60 days on others. He contended that the meaning of "2% 30, net

60" was a disputed fact and the issue was brought to court.

Seller argued that under a sale of this kind, the 60-day credit period did not expire until Dec. 4, 1956, and so no suit could have been brought before that date.

Thus the suit was within the three-year period of limitation.

The court ruled in favor of the seller on the grounds that the demand for payment by the seller before the 60 days expired did not change the meaning of a well-established credit term. (Curtis Bros. Inc. v. Thomasville Chair Co., U. S. Ct. of Appeals, Dist. of Columbia Circuit, 289 F. 2d 461.)

READING THE FINE PRINT OF THE CONTRACT

Make sure you read the fine print in a contract. One buyer, who put in a claim for shortages at a government surplus sale, learned this lesson the hard way. Here's what happened:

The contract under which buyer made his claim contained the following provision:

"Any variation between the quantity or weight listed for any items and the quantity or weight of such items tendered or delivered to the purchaser will be adjusted on the basis of the unit price quoted for such item; but no adjustment for such variation will be made where an award is made on a 'price-for-the-lot basis.'"

The Armed Services Board of Contract Appeals decided on the basis of the final clause of the provision that the buyer had made his purchase by the lot and hence was precluded from making a claim for shortages. (Pavcor Co., A.S.B.C.A., No. 7124, Air Force Appeals Panel, June 26, 1961.)

MISTAKES IN THE CONTRACT

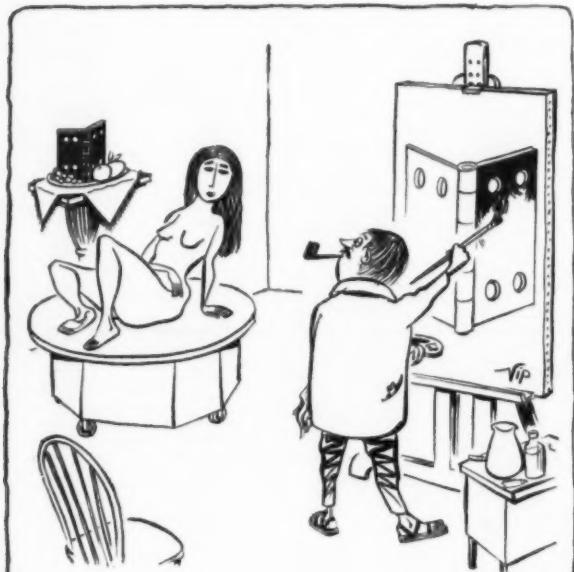
When a mistake is made in the terms of a contract—or in identifying the subject of the contract—the issue depends on whether the mistake is made by one party (unilateral) or by both (mutual).

When a mistake is mutual, either party may rescind the contract. For example: Both buyer and seller believe a piece of silver to be sterling. When either discovers that the bar isn't as supposed, either may rescind the contract.

Generally, a mistake made by only one of the contracting parties does not furnish the basis for rescission or avoidance of a contract—especially if the mistake is made through gross carelessness. However, there are exceptions. For instance:

If one party makes a mistake and the other party realizes that he has made a mistake, the party making the mistake is allowed to rescind the contract. Or, if one party's mistake should be obvious to the other party, his failure to call attention to the mistake amounts to fraud, and the law will allow avoidance or rescission of contract.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)



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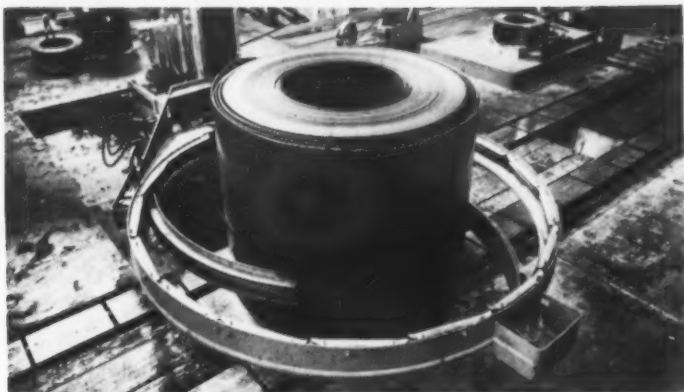
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NEW 56-IN. HOT STRIP MILL: Republic Steel Corp.'s Warren, Ohio, facility rolls and forms steel into 52-in. coils of 73-in. diameter. Improvements on new mill will enable Republic to tackle new markets.

Republic Steel Opens New 56-In. Hot Strip Mill

Warren, Ohio—Republic Steel Corp. has opened a new 56-in. hot strip mill with which it hopes to widen its present markets for silicon steels, deep draw sheets for auto parts, and stainless steel strip.

The new mill, which can produce coils of up to 52 in., replaces a 42-in. mill which was limited to coil sizes of 12 in. to 37 3/4 in.

The new mill contains an automatic gage control, jointly developed by Republic and General Electric. The gage enables Re-

public to control tolerances more closely than it could at other mills, including its 90-in. hot strip facility in Cleveland.

Republic's strategy for invading new markets is to persuade customers to test the improved gage and finish characteristics it expects from the new mill. Even though it will guarantee only regular commercial tolerances, it will attempt to demonstrate that it can provide quality as good as, or better than, higher-tolerance grades which carry an extra charge.

Eventually, Republic hopes to compete in more exotic steels, which it said its mill is powered to handle. Examples are titanium steels, HT (high tensile) steels, as well chromium-cobalt and the other "missile" steels.

Competition — both foreign and domestic—plus rising costs were cited by Republic President T. F. Patton as a prime mover behind the mill changeover. At the same time, he expressed concern over the so-called depreciation gap—the gap between the original cost of equipment and the cost to replace it today—and the need for major legislative reforms in this area.

"Our Warren mill clearly illustrates this gap," he said, pointing out that the cost of the new mill was 10 times the cost of the old 42-in. mill it replaced, or about \$55-million versus \$5.5-million.

Indiana Asks Vendors To Help Crack Down On Bid Rig Loopholes

Indianapolis—The Indiana Dept. of Administration is asking potential suppliers to help it re-write specifications to prevent "rigged bidding."

The department is trying to broaden its specifications so that any reputable firm in the business can submit a bid, said Eugene Bainbridge, deputy director. "I want any vendor who finds a specification written so that only one firm can bid on it to let me know," he said.

"We awarded a contract for shoes for state police recently at \$18.50 a pair, and the next day a shoe company representative came in and told me he could have supplied exactly the same shoe for \$11.50," he added.

Bainbridge also said all firms doing business with the state must submit certificates attesting that they have purchased a store license and that they do not owe any state taxes. Although state tax records are considered confidential, Bainbridge said he would be able to give the certificates to the Dept. of Revenue and obtain a report that the tax statement is true or false.

Reynolds Metals Signs Pact With Thermatool

Richmond, Va. — Reynolds Metals Co. hopes to broaden the market for aluminum cans as a result of a licensing agreement it has signed with New Rochelle Thermatool Corp., New Rochelle, N. Y.

Under the agreement, Reynolds will purchase and then lease to can makers machinery which produces electronically welded aluminum cans three times as fast as conventionally soldered cans.

Reynolds said development of the new welding method makes it feasible for the first time to market heat-processed foods in aluminum cans. Up to now, the company said, it has not been possible to manufacture economically aluminum cans with side seams strong enough to withstand the internal pressures exerted when packing foods.

PROBLEM: How to get sales appeal in your shipping container without the cost of three-color printing.

SOLUTION: International Paper's new *pastel* Gator-Hide[®] linerboard gives you *three* colors with two-color printing.

THIS DISPLAY container was made with two-color printing—on one of International Paper's new Gator-Hide pastel linerboards.

These amazing new linerboards are the lightest and brightest you can get without printing color on expensive bleached board.

They are typical of the wide range of fine linerboards available to you in the famous Gator-Hide series. Their

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International Paper can provide you with paper packaging that is designed—from the *very beginning*—to suit your product.

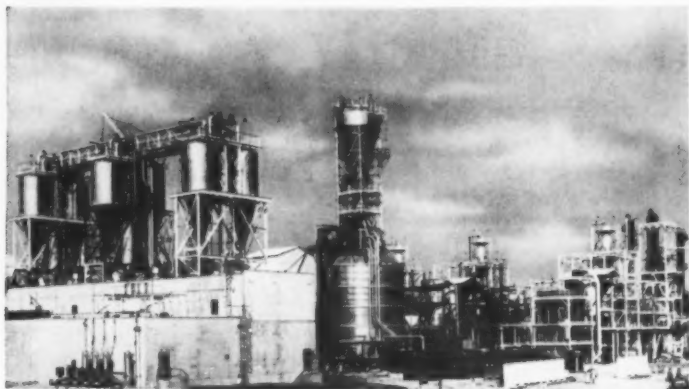
Call any one of our twenty-two Container Division plants. Or contact your boxmaker. He has probably been doing business with us for years.



INTERNATIONAL PAPER

NEW YORK 17, N. Y.

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NEW PLASTICS PLANT: Said to be world's largest for production of polypropylene polymer, AviSun's sprawling new facility typifies the multitude of new plants going on stream in Philadelphia area.

New Plastics Plants Opening in Delaware Valley

Philadelphia—An increased flow of plastics products and raw materials—at lower prices—from the Delaware Valley is forecast by suppliers here as basic producers put new plants on stream at a record rate. These are the latest developments:

• Cary Chemicals, Inc., as part of a \$14-million expansion program, announced purchase of a 66-acre tract on which it will build a polyvinyl chloride (PVC) plant with a capacity of 100-million lb./yr.

• At the same time, AviSun Corp. dedicated its \$20-million, 100-million lb./yr. polypropylene facility in New Castle, Del.

An AviSun spokesman noted that the New Castle plant will not affect prices at the outset, but he added that as production gets well under way "prices should come down."

AviSun also announced plans to manufacture a new polypropylene packaging film that it called the "greatest innovation in the field since the introduction of cellophane almost 40 years ago."

The company would only disclose that the new film would be bi-axially oriented—that is, its molecular structure would be rearranged to make it "stronger, clearer, and thinner" than any of the films now on the market.

At the same time reports circulated here that Thiokol Chemical Corp., Trenton, N. J., is actively seeking control or purchase of two industrial plastics manufacturers. One is reportedly a maker of laminated insulating materials in Trenton, N. J. The other acquisition, in the acrylic polymer field, should be announced later this month. In addition, Thiokol will soon launch a new marketing program to sell epoxy materials for highway use.

Still another entry into the plastics field is Atlantic Refining Co., which recently announced it has purchased J. P. Frank Chemical & Plastic Corp., New York.

A large number of major plastics raw materials suppliers have joined the parade of firms which have either opened plants here in the past year or are expecting to do so in the next few months. These include: SunOlin Chemical Co., Shell Chemical Co., Monsanto Chemical Co., Sun Oil Co., Tidewater Oil Co., Texaco, Socony Mobil Oil Co., and Gulf Oil Co. Rohm & Haas is expected to build a new plastics headquarters in Philadelphia soon.

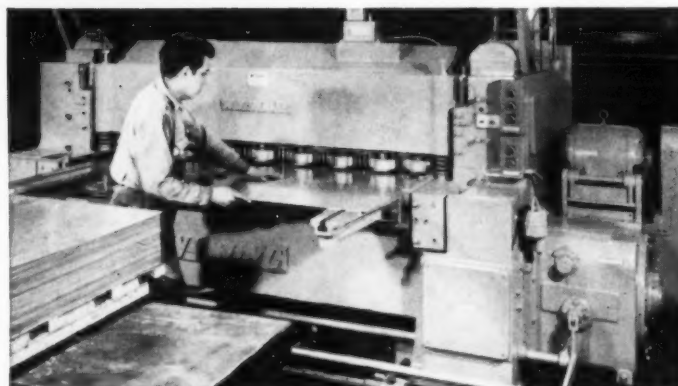
The influx of raw materials suppliers into the valley is acting as a magnet for converters and fabricators of plastic products and components. An industrial plant location specialist here says at least 50 new fabricators and converters are seeking plant sites. In the main, these firms, ranging from small to middle size, expect to produce totally new products of polyethylene, polypropylene, urea, and materials of du Pont, such as Delrin.

How Ryerson gives you EXTRA VALUE IN SHEET STEEL



Carbon control—Did you know that Ryerson can furnish a conformance report, if requested when your order is placed, certifying that hot or cold rolled low carbon sheets in stock sizes are SAE 1008 with maximum carbon content of .10? This means you can minimize or eliminate problems of variation in formability and weldability.

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Whatever your sheet and strip requirements, a Ryerson specialist is ready to consult with you. A phone call is all it takes.



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Greyhound to Acquire Boothe Leasing Corp.

Chicago—In the first step of a planned diversification program, Greyhound Corp. will acquire Boothe Leasing Corp., San Francisco, through an exchange of stock involving more than \$14-million.

The California firm, which purchases and leases industrial machinery and equipment, and also finances such purchases, will be operated as a wholly owned subsidiary of Greyhound. Headquarters will continue to be in San Francisco, with D. P. Boothe, Jr., as president.

The purchase plan is subject to approval by the Interstate Commerce Commission and acceptance of Boothe stockholders.

Barnhill Starts New Office

Baltimore—Barnhill & Associates, Inc., which represents manufacturers of electronic and electro-mechanical components and equipment, opened a new sales office in Philadelphia, to service Pennsylvania, New Jersey, and Delaware. Barnhill said the new office, together with facilities in Durham, N. C., and Towson, Md., gives it complete coverage of the Middle Atlantic area.

FILM CORES • TOY & NOVELTY TUBES • CLOTH CORES

PAPER MILL CORES • JET-TAPER POLES

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**Better Values...
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WYNDWOOD, ILLINOIS

Here's your source for better paper tubes...

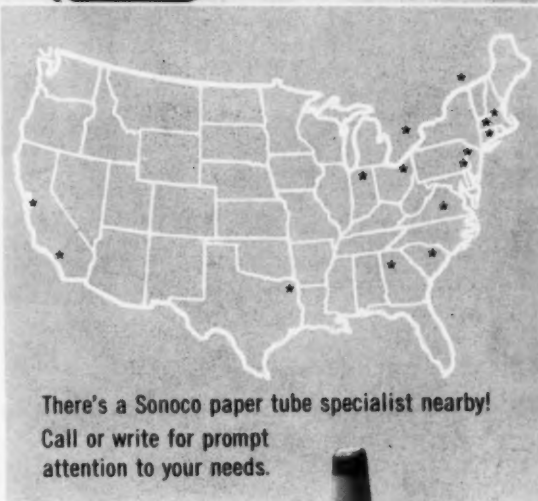
Developing low cost paper tubes to perform satisfactorily in unusual and difficult applications is how Sonoco research, production skills and experience work to save you money. If a paper tube can be engineered to do the job and effect a savings—*Sonoco can make it!*

For example, Sonoco can supply paper tubes which are resistant to moisture, oil, chemicals, heat and abrasion. The degree of crush, break and torque strength can be controlled to exacting specifications. They are made to customer requirements or to accepted standards. Whatever

your need, Sonoco is able to supply the *right* tube at a reasonable cost.

Sonoco tubes are produced by spiral, parallel and convolute processes in any practical diameter, wall thickness and length. A wide range of surfaces and inside-outside wraps is available.

The vast technical resources and convenient facilities of this organization are available to the imaginative paper tube buyer seeking to solve problems arising from cost, manufacturing, shipping or storage. *Your inquiry is invited.*



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precision paper products since 1899



SONOCO PRODUCTS COMPANY, HARTSVILLE, SOUTH CAROLINA • Mystic, Conn. • Akron, Ind. • Ravenna, Ohio • Lowell, Mass. • Holyoke, Mass. • Phillipsburg, N. J. • Longview, Texas • Philadelphia, Pa. • La Puente, Calif. • Fremont, Calif. • Atlanta, Ga. • Richmond, Va. • **MEXICO:** Mexico, D. F. • **CANADA:** Brantford, Ont. • Granby, Quebec



New Booklet Cites Career Aspects of Purchasing

New York—The NAPA has released a new "Purchasing as a Career" booklet that develops two main themes—the importance of purchasing's contribution to a company's profit picture and the varied nature of the work.

This 26-page booklet, which merits space on every P.A.'s book shelf, is designed not only to encourage students' interest in the purchasing field but to provide information for those now in purchasing and serve as a guide for general management as well. The sections on salary and future trends will probably rate particular attention from P.A.'s.

While the booklet reports "there is a strong trend evident toward the hiring of college graduates for training for buying positions in purchasing," it does not eliminate the high-school graduate from the race for a purchasing career.

What Purchasing Is

The booklet starts off by outlining for the tryo just what purchasing is and its relations with other departments. It describes purchasing positions, preparation and qualifications, and training and advancement from the angle of private industry purchasing, and public purchasing.

Undergraduate study in engineering—at least for metal-working firms—and a master's degree in business administration are pinpointed as the best backgrounds for a purchasing career.

For the student who is not going to do graduate work, a business administration training background is advised, and this should be fortified by courses in technical subjects.

Given salary levels range from \$5,500-\$7,000 for assistant buyers, to \$12,000-\$20,000 for purchasing agents, and to \$20,000-\$50,000 for a director of purchases and vice president for purchasing. However, it states that purchasing positions which pay salaries of \$50,000 and up are generally limited to companies with yearly sales of \$1-billion or more.

An approximate salary of \$25,000 is reported for a company with sales around \$100-million. For the small company, with sales of less than \$7-billion, about \$10,000 a year is par for the course for the purchasing department head.

Public Purchasing

In public purchasing, an average of \$20,000 is quoted for the director of a centralized purchasing agency for a large state. "On the other hand, a small or decentralized purchasing department may pay as little as \$6,000 to the buyer," the booklet says.

Varied work that provides wide exposure to all aspects of a firm's operations and purchasing's role in contributing to a firm's profits are cited as a "training program that fits the purchasing executive for higher responsibilities."

Materials management, value analysis, and other new purchasing concepts that will influence the scope of a purchasing executive's job and his advancement are also examined. Recognition of purchasing's growing importance in the management picture

is indicated by forecast of a professional certification program within the next 20 years.

The increasing importance of electronic data processing is also underscored. "There is little doubt that purchasing managers and supervisors will have to prepare to understand the programming of machines, the reading of tapes, and the working and controlling of automated machine data."

Even P.A.'s seasoned with years of purchasing experience, the booklet points out, will be

faced with keeping abreast of new developments.

The small company buyer or purchasing agent is advised to look to self-teaching or outside sources for training for advancement. Suggested aids are: reading trade magazines, business periodicals, attendance at association meetings, etc.

Copies of the booklet may be obtained by writing Marshall G. Edwards, administrative assistant, National Assn. of Purchasing Agents, 11 Park Place, New York 7, New York.

Professional Development Calendar

Boston: Materials Management Institute—Measuring & Improving Purchasing Performance, Hotel Kenmore, Oct. 30. Also given: Philadelphia, Hotel Sylvania, Oct. 31; New York, Hotel Belmont-Plaza, Nov. 1; Cleveland, Hotel Pick-Carter, Nov. 2; Chicago, Hotel Sheraton-Blackstone.

Carter, Oct. 19. Also given: Chicago, Hotel Sheraton-Blackstone, Oct. 20; Boston, Hotel Kenmore, Oct. 26; New York, Hotel Belmont-Plaza, Oct. 27; San Francisco, Hotel Mark Hopkins, Nov. 14; Los Angeles, Hotel Sheraton-West, Nov. 16.

Cleveland: Materials Management Institute — Production Profits Through Advance Planning, Analysis and Control, Hotel Pick

Madison, Wis.: Management Institute, University of Wisconsin Extension—Fringe Functions of Purchasing, Nov. 2; Impact and Implications of Automation, Nov. 3.



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High-precision documents from special paper to the final printing, the new IBM paper checks are distinctive in appearance...and always designed to make your company look its very best.

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Your IBM supplies specialist knows exactly how paper checks are handled...and manhandled.

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which most economically meet your accounting demands and the capabilities of your equipment. He also offers free check design service and a wide selection of attractive check borders and backgrounds.

SAFETY—Special plant security measures safeguard your IBM paper checks during every stage of manufacturing. Special papers and printing inks protect your IBM paper checks against alteration after issue.

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Professional Development Perspective



CONSULTANT ARTHUR G. PEARSON

Procurement Specialist, Lockheed Missile & Space Co.

Discusses P.A. Recognition Strategies

Management recognition for purchasing men has been the warmed-over subject for many talks, speeches, and articles. Some would have you believe that writing reports to management will achieve this recognition. Others, on the premise that manage-

ment is only interested in profits, suggest that concentration on cost savings will do the trick.

The list of "recognition strategies" is quite long. If you fail to achieve management's blessing by one method, you are urged to try another play. And all of them assume that management is a paternalistic king passing out favors with a feudal hand.

It is time we looked at ourselves and our job, and did some reevaluation of our function and responsibilities in business rather than seeking a quick cure outside ourselves.

Two points occur to me—and both show that on-the-job, self-generated professional development is the starting point for management recognition.

• First, the function of purchasing too often is assumed by individuals not in the purchasing department.

• Second, procurement's thinking must be focused upon planning and controlling, in order to be a part of the management team.

Let us see how this works. What is procurement's function? It

is the efficient, effective commitment of funds on schedule, to assure the availability of proper value materials and services.

Management thinking and the management way of life does not include waiting for a materials requisition to be placed on a buyer's desk before he goes to work. Instead, the basic elements of management thinking should be put to use—planning and controlling. It takes time, manpower, and budget in the right places to do these things.

Rather than asking for an increased budget, determine the effect of relocation of time on planning each operation. **The 50% of time spent on items valued at 5% of your dollar commitment is the place to look for the extra time you need.**

Good planning and controlling here will give time to do a more effective job on the high dollar value items. Increased planning is important at this stage of your long-range plans. Here's how to plan your total material needs:

• Assimilate all facts on the commodities you've selected.

• Show how early, close coordination will assist engineering in their design, manufacturing in their production, and sales in making on-schedule deliveries.

• These facts built into your long-range sales program, along with the help and teamwork of all elements of the management team, become a practical application of the management way of life.

Now consider a more specific program as an example of management planning: Suppose you wanted to put a standardization program into effect.

The complete standardization package to be sold should begin with an engineering-accepted standardized "preferred parts list," with each list covering a family of selected items. When engineers design to standardized items, these parts can be inventoried for prompt use by the manufacturing organization. Inventoried material can be bought on annual contracts with savings not alone in procurement time and operating costs, but in the cost of the material itself.

Procurement must also be quick to recognize "vacuum" areas and move in to fill the vacuum properly. The procurement organization as a specialist in vendor relations must be active to work with those in each element of the organization who need information from vendors. An example are the engineers who need constant technical contact with good, qualified vendors.

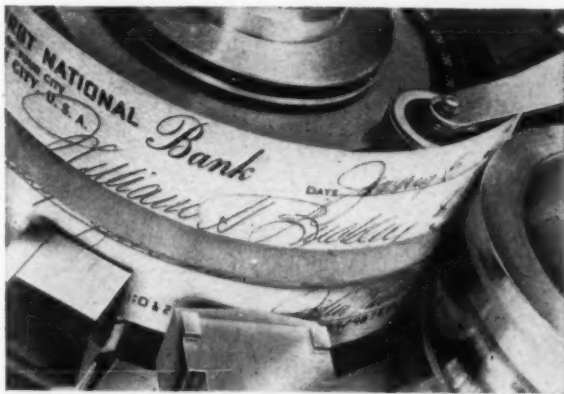
Selling profit-making plans increases the understanding of procurement activity by the other elements in the organization. The procurement organization, by working in all areas of the procurement function, keeps these vacuums from forming.

Self-education, individual planning, and simple but competent controls are a part of carrying out your management responsibility and the performance of the functions inherent in professional procurement performance.

The gathering of all pertinent facts, the organizing of these facts into an acceptable, salable package to all elements of your company's organization is part of this responsibility. The cost saving profit potential is as important to the management team acceptance of procurement as is the value of the program to the organization.

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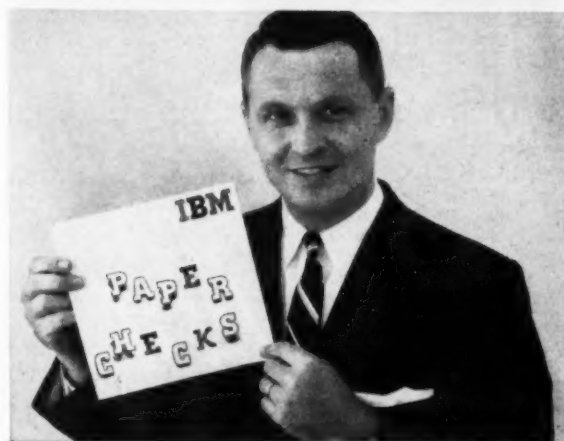


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show you how IBM supplies can help you improve the return on your data processing investment.

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IBM
DATA PROCESSING

This Changing Purchasing Profession

Jack L. Gilliam has replaced T. V. Liss, who resigned as director of purchasing, electronics operation, **Electronics and Ordnance Div.**, Avco Corp., Evidale, Ohio. Gilliam was formerly marketing representative in Detroit for the company's Nashville Div.

D. G. Teasdale—retired as director of purchasing after 25 years of service with **Carter Carburetor Div.**, ACF Industries, Inc., St. Louis. He is succeeded by **Robert S. Demitz**, who has

held engineering and manufacturing posts in the Carter organization since joining in 1957, after his retirement as a U. S. Army colonel.



R. S. Demitz T. R. Thompson

T. R. Thompson—joined the Directorate of Contract Administration of the **Central Contract Management Region, Wright-Patterson Air Force Base**, Ohio, as supervisory purchase methods analyst for the 18 states covered by CCMR. Thompson, who was with Aeroproducts Operation, Allison Div., General Motors Corp., is a national director and past vice-president of the NAPA.

Charles R. Schultz, supervising buyer, and **Harold J. Forth**, purchasing supervisor—to as-

sistant purchasing agents, **Solvay Process Div.**, **Allied Chemical Corp.**, Syracuse. They will assist in the purchasing activities of six Solvay plants.

William G. Pearce—assigned to the newly created post of director of purchasing, **Gorham Corp.**, Providence, R. I. Pearce, former purchasing agent for the company, is a director of the Rhode Island Purchasing Agents Assn.

Kenneth W. Dobbrow—appointed purchasing agent, **Atlas Controls, Inc.**, Natick, Mass. He formerly was purchasing agent for Fenway Laboratories.

John W. Edwards—named purchasing manager, **Guilberson Corp.**, division of Dresser Industries, Dallas.

Chester J. Quinlan—to purchasing agent for body parts, **Chrysler Corp.**, Detroit. Previously he was manager of purchasing for the Power Train Group, Chrysler Corp.

Frank Legnard, purchasing agent—to general manager, **Anti-Corrosive Metal Products Co.**, Castleton-On-Hudson, N.Y. Succeeding him is **Lawrence Ennis**, former assistant purchasing agent.



Lawrence Ennis M. F. Jones

Millard F. Jones—after 50 years of service, retired as director of purchases, **Homestead Valve Mfg. Co.**, Coraopolis, Pa. His first 10 years with the company included jobs in the foundry, machine shop, and sales department; his last 40 years were in purchasing.

Follow-Up: Letters & Comment

Leasing Plan Changed

Milwaukee, Wis.

In the Sept. 18 issue, "Municipal P.A.'s Finding Big Savings In Leasing" article about midway on pages 38 and 39 a paragraph states:

"Milwaukee also leases parking meters and four-wheel trailers. Its contractor furnishes the meters, and the city installs and maintains them, using spare parts furnished by the contractor. In Milwaukee's case, the city splits meter revenue with the contractor 50-50, until the selling price is satisfied and the city takes title."

This is not the present procedure. The reported practice for parking meters was apparently an original contract and offer by one of the parking meter representatives in 1949.

At that time, specifications were prepared and bids requested on outright purchases of our requirements. The necessary replacement parts also were purchased outright. This purchasing program has been followed since.

The City of Milwaukee receives the entire revenue and encumbers it for the furtherance of its parking program such as the acquisition of off-street parking, the purchase of additional meters, and similar projects.

The four-wheel trailers were purchased in the 1930's, with a rental being optionally applied to the purchase price.

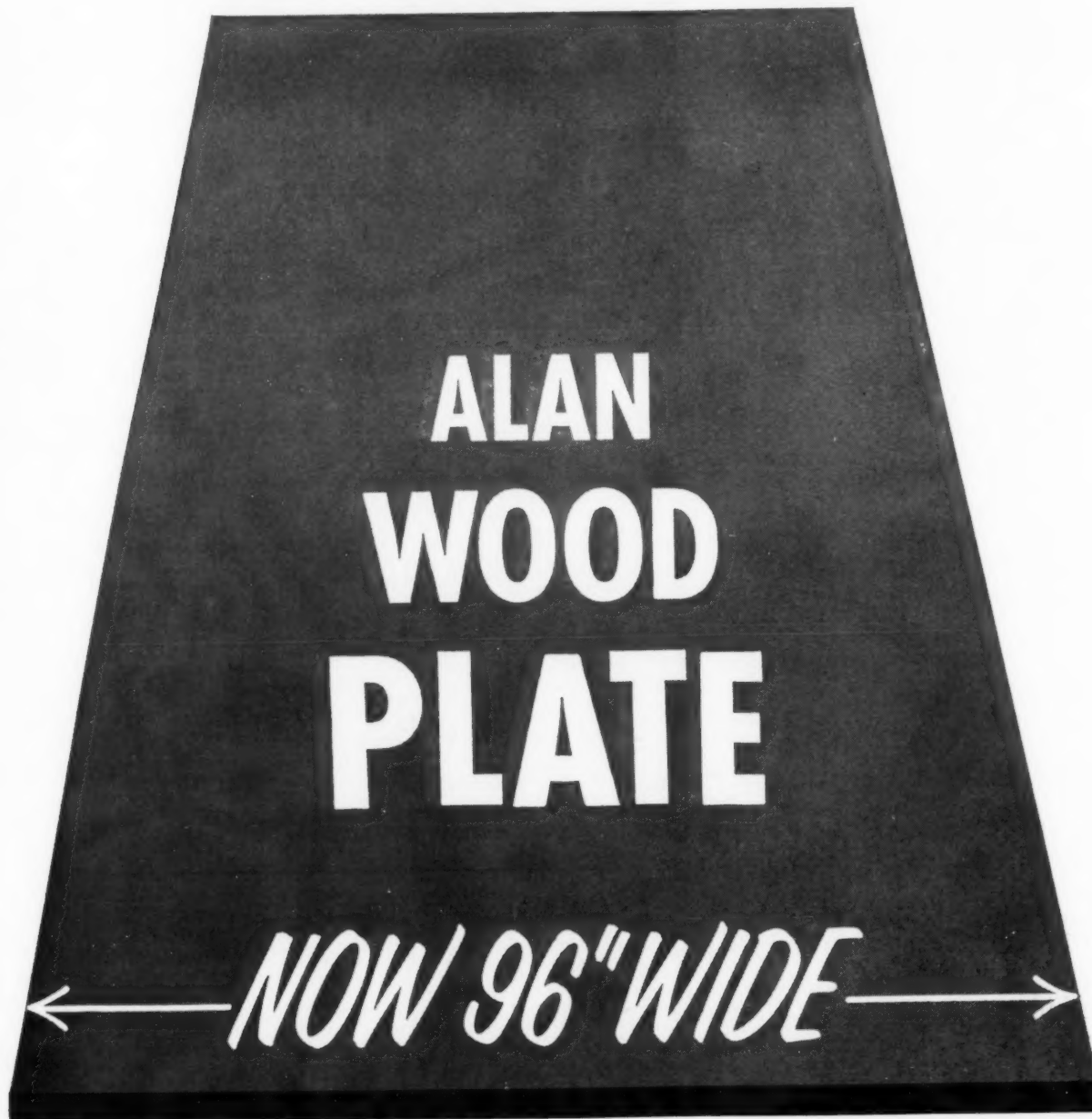
Andrew L. Lehrbaumer
City Purchasing Agent

More Orders

Jackson, Mich.

Your New Products Guide of Aug. 28 listed the Draftette drafting kit (p. 16). After order-

(Continued on page 19)



Now—from our new wide plate mill-quality sheared plate up to 96 inches wide . . . or up to 4 inches thick . . . in lengths up to 80 feet.

A unique third stand adds improved finish and flatness to regular plate. It is also used to impress the familiar and exclusive Super Diamond pattern on floor plate, now available up to 2 inches thick.

We've added a new blooming mill, too . . . for handling bigger ingots, turning them into the heftier slabs needed to feed our plate mill's extra capacity.

These new mills are part of Alan Wood's \$36-million expansion program . . . creating new and better ways to serve you. Let us supply your steel needs.



ALAN WOOD STEEL COMPANY

Conschohocken, Pa. • STEEL PRODUCERS WITH THE CUSTOMER IN MIND

Plates (Carbon, Alloy, Hi-Strength) • Cold Rolled Sheet and Strip • Hot Rolled Sheet and Strip (Carbon, Alloy, Hi-Strength) • "A. W." Super Diamond Patterned Floor Plate • "A. W." Algrit Abrasive Rolled Steel Floor Plate • "A. W." Iron Powder • "A. W." Pig Iron • Foundry and Industrial Coke • Coal Chemicals Mine Products • "Penco" Lockers, Cabinets and Shelving.



Value of Reducing Costs, Paperwork Stressed at St. Louis Assn. Meeting

St. Louis—The importance of reducing costs and paperwork was hammered home by a Pittsburgh purchasing executive at a meeting of the St. Louis Purchasing Agents Assn.

G. Warner McVicar, director of purchasing and traffic, Rockwell Mfg. Co., asked the group to consider whether they were doing an adequate job of earning more profits for their firms.

"So far in the first seven months we have saved about \$700,000," he said. "This is about the same annual rate as last year. I'm satisfied we can do better."

Savings Not Enough

If a P.A. can show a 2% to 10% savings on the cost of the material he purchases, he is doing a very good job, McVicar said.

However, he stressed that effecting savings was not enough. Many P.A.'s, he said, are falling down on the job of making intelligent monthly and annual reports to management showing savings resulting from smart buying practices.

"Any one of you could throw away 50% of the materials you are filing without hurting your company or your ability to do a job," McVicar said.

He explained that an American Management Assn. report shows that it costs \$1,555 to fill an ordinary file drawer and \$55 to store it.

He reported use of a new order form in buying MRO materials reduced Rockwell's purchase orders by 35%. With the new form, he negotiates one price on repeat materials, retains one copy, and sends another to ac-

counting and to the vendor. Whenever orders are then needed, buyers just telephone and order by the number of the negotiated order.

Following through on purchasing's role in a company's profits, he urged P.A.'s to become leaders in setting up value analysis teams within their companies. "And see to it that your findings reach someone in authority who will see to it that the job is done," he emphasized.

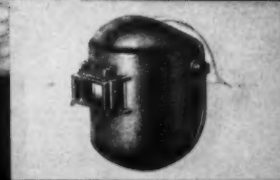


GRAND RAPIDS ASSN.: Members toured Corduroy Rubber Co. plant. Charles Mills, company vice president, briefed the group on the firm's history, while Mel Bonney, director of purchases, discussed raw materials used in their operation. During plant tour Mills (right) explained finishing process of a Corduroy tire. Looking on are (l-r): Bonney; John Vanderveen and Ward Heath, president and vice president, respectively, Grand Rapids P. A. Assn.

NEWS FROM AO



Narrow front fiber glass shell, lift or stationary front (X16-C9712A).



Curved chin fiber glass shell, lift or stationary front (X16-C9706A).



Curved chin fiber glass shell, heat-reflective coating, lift or stationary front (X16-C9702WA).



Straight front fiber glass shell, lift or stationary front (X16-C9602A).



Flexible mask with stationary welding plate (X16-C488).



Welders' coverglass goggles (X16-C329B).

Now... One Easy-to-Use Clip Fastens Any of These Attachments To an AO Safety Cap

You can use any of these accessories with regular AO Dura-Guard safety caps . . . all you need is a pair of AO's simple X30 clip-on attachment holders. Molded of nylon, they slide easily over the side brim and are secured by nylon set screws which hold them tight. No drilling. No holes. No need to stock caps with attachments. Just apply clips to regular stock of caps.

Choose from 10 welding helmet models (both fiber glass and vulcanized fiber, lift or stationary fronts), flexible mask welding goggles, and welders' and chippers' coverglass goggles. All are quickly and simply attached to the Dura-Guard safety cap by slipping the attachment post into the hole provided. It locks securely into position, can be detached in seconds when you want to remove it.

Because they are all-plastic, the X30 clips insulate metal attachment parts, help retain the Dura-Guard cap's dielectric properties. You can get complete details on all these new accessory helmets and goggles by contacting your AO Safety Products Representative or writing direct.

Your Surest Protection . . . AO SURE-GUARD Products

American Optical
COMPANY

SAFETY PRODUCTS DIVISION • SOUTHBRIDGE, MASSACHUSETTS

Follow-Up

(Continued from page 18)
ing one, I displayed it to other departments and discovered that I had to order seven more.

I thought you might be interested in an example of the value of your New Products list.

Lloyd M. Head
City Purchasing Agent

Box Machine

Akron, Pa.

In your Sept. 18 issue there was an article regarding a "New Box Machine" (p. 63).

The box machine was developed by Techmation Corp., Long Island City, N. Y. We would appreciate your forwarding the firm's complete address.

W. A. Withers
Assistant Purchasing Agent
Miller, Hess & Co., Inc.

• It is: 19-75 Steinway St.,
Long Island City, N. Y.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," Purchasing Week, 330 West 42nd St., New York 36, N. Y.

From One P.A. to Another



CONSULTANT GEORGE A. RENARD

Former NAPA Executive Secretary

Discusses The P.A. and Reciprocity

PURCHASING WEEK, in March 1960, reported an off-beat organizational step in company chart choreography.

In the story, J. V. Vernon, marketing vice president for Food Machinery and Chemical Corp. (now FMC Corp.), cited numerous seemingly practical and profitable reasons for placing purchasing

in his bailiwick. Moreover, the director of purchasing of the Chemical Div., J. A. Mooney, seconded the motion. The acceptance of reciprocity as a way of life was predicted, for the good of the corporation as a whole.

Perhaps the idea is an import. In many foreign firms, Mr. Sales is Mr. Big, with purchasing his side line.

Reciprocity over here is as old as barter and bargaining. It has long been a hush negotiation, discussed behind closed doors. Later, reciprocity was labeled "trade relations," in an effort to remove the curse. To have a top-flight team brag about this sales purchasing relationship, headlining it as a constructive development of management, was a surprising change-up pitch.

The idea seems to have caught on. Recently, P/W has reported several other blue-chip organizations have made such mixed-management marriages fashionable. The late returns tend to make Vernon and Mooney of Food Machinery look like seventh sons.

Dow Chemical Co. has included purchasing in a triumvirate of marketing-distribution-purchasing under a V. P. (see P/W, Sept. 25,

'61, p. 20). Another chemical firm, Pennsalt Chemicals, Inc., has a similar setup (see P/W, May 22, '61, p. 1).

There is some belief being expressed in bull sessions on purchasing that the movement is becoming a trend. There are well-aimed brickbats, of course. Shot-gun weddings are mentioned.

We realize that no one should live with an offensive company policy. He can always quit. But why take such rash action when there is evidence that the contrary opinion may hold a few trumps?

Arguments Favor

- What is good for the company should be good for you. Want recognition? Sales management is usually pretty close to the throne, and the fringe benefits thrive in that climate.

- Certainly, the tie-in of sales with purchasing would reduce the margin of error in marketing forecasts.

- It should rub out the double standard for giving and grabbing entertainment and gifts.

- Here is the stopper. Do you know any successful purchasing executive who refuses to identify his activities with the sales end of the company?

- Is it a sin to preach what you practice?

You will get the same slant from scanning the programs of the pros:

The New England Purchasing Agents Assn. kicks open its fall program with an afternoon forum. Selected as the "back-to-school" attraction by the Professional Development Committee of the group is: Purchasing-Sales Teamwork.

A few hours away, by jet, the Purchasing Agents Assn. of Los Angeles pries the season open with a really big day of golf, with all the trimmings. It is "planned for our members, their bosses, business associates and suppliers." And Los Angeles will follow this shindig with high-caliber professional development programs. These programs are typical of what goes on in the 125 local P.A. associations totaling more than 20,000 members in NAPA and CAPA.

Same Marketing Mixture

A featured annual affair of many of those associations is the Buyer-Seller Dinner (some call it Purchase-Sales). And those who bill an Executives' Night are openly angling for the same marketing mixture.

So, think twice before you take a walk. There is a saying in association circles that the difference between buying and selling is the width of a desk.

If you should have your "druthers"—and cannot score par for the course by directly reporting to top management—you might do worse than hitch onto the marketing executive for a kite. He can help keep legitimate reciprocity on the track.

Sprague Buys Equipment

Concord, N. H.—Sprague Electric Co. purchased transistor manufacturing equipment operated at Lowell, Mass., by CBS Electronics division of Columbia Broadcasting System, Inc. The purchased equipment will enable Sprague to increase its transistor production.

Quiet....

WAGNER Polyphase Resilient Mounted Motors in ratings through 10 horsepower

Quiet, vibration-free performance is essential when motors are installed in areas where noise must be held to a minimum . . . in hospitals, churches, schools, office buildings, restaurants and similar locations where quiet is needed or wanted.

Such installations have created a need for larger polyphase motors that whisper while they work. Wagner has met this need by expanding its line of polyphase resilient mounted motors to include standard ratings through 10 hp.

You certainly have applications that call for a smooth running motor, cushioned by resilient mountings. To make sure they're quiet, specify Wagner Poly-

phase Resilient Mounted Motors. Only Wagner can provide an entire range of ratings through 10 hp.

Constant research and development have kept Wagner up front in electric motor design for more than 65 years . . . made the name Wagner one you can depend on in choosing electric motor drives.

Your nearby Wagner Sales Engineer can help you select the right motor to meet your requirements. There are Wagner branch offices in 32 principal cities.

Wagner Electric Corporation

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SLEEVE OR BALL BEARING
These motors are furnished with quiet running steel-backed babbitt-lined sleeve bearings of high load carrying capacity. Ball bearings can be supplied when desired.

CEILING, SIDEWALL OR HORIZONTAL MOUNTING
You can mount these motors on walls or ceilings by rotating the cradle base 90° or 180°. Motor stays drip-proof.

NEOPRENE CUSHIONING RING
Annular mountings, of oil-resistant neoprene bonded to steel rings, cushion the motor in its cradle base to absorb the small amount of vibration that remains in the most carefully balanced motor.

Industry News in Brief

Buys Container Line

Dayton, Ohio—Mead Corp. has purchased Waterloo Container Corp. and Waterloo Corrugated Box Co., both of Waterloo, Iowa, and the Fort Dodge Container Corp., Fort Dodge, Iowa.

Mitronics Moves

Hillside, N.J.—Mitronics, Inc., moved into a new 30,000 sq. ft. building in Murray Hill, N. J. The firm manufactures microminiature metallized ceramic substrates, housings, ceramic subcomponents, and ceramic-to-metal seals and assemblies.

Turbo Opens Sales Office

Lansdale, Pa.—Turbo Machine Co., manufacturers of textile machinery, have opened a southern sales office in Charlotte, N. C.

Holden Moves HQ

Detroit—A. F. Holden Co., manufacturer of heat treating furnaces, salt baths, and process equipment, has transferred its operations from Detroit to a newly erected headquarters plant at Milford, Mich.

ATF Opens Branch

Elizabeth, N. J.—American Type Founders has opened a branch in Washington, D. C., the third new facility to be opened this year.

Steel Firm to Move

Seattle, Wash.—Poole, McGonigle & Dick will move its steel fabricating operation from here to Vancouver, Wash. The transplanted firm will change its name to Northwest Steel Fabricators, Inc. Ownership and management, however, will remain the same.

Dyno Buys Sten-C-Labl

San Francisco—Dyno Industries, Inc., purchased Sten-C-Labl, Inc., St. Paul, Minn. Sten-C-Labl makes commercial and industrial marking and addressing equipment.

Utilities to Merge

Denver—Public Service Co. of Colorado announced a proposed merger with Colorado Central Power Co. The merger is expected to become effective about Jan. 1. Public Service would be the surviving company.

Spectrol Names Rep

San Gabriel, Calif.—Spectrol Electronics Corp. has appointed Kitchen & Kutchin, Inc., northeastern manufacturer's representative organization, to represent its complete line of trimmers and miniature potentiometers in six New England states.

Merquip Named

Chicago—Merquip Electronics, Inc., has been named as a distributor for Ward Leonard Electric Co., Mt. Vernon, N. Y. Merquip will distribute such Ward Leonard products as power resistors, ring type rheostats, magnetic relays, and metal film precision resistors.

HP Associates Formed

Palo Alto, Calif.—Hewlett-Packard Co., manufacturer of precision electronic measuring instruments, formed a new affiliated company, HP Associates, here, to engage in solid-state research and development.

Scully-Jones Distributors

Chicago—Scully-Jones and Co. appointed two new distributors for its line of precision holding tools. They are Ashton Tool Supply Co., Detroit, and Crown Equipment Co., Indianapolis.

Tri-Point Names Alisco

Albertson, New York—Tri-Point Industries, Inc., has appointed Alisco, a division of All-metal Screw Products Co., Inc., Garden City, N. Y., as exclusive distributor for its Trinseel line of miniature Teflon terminals.

Eaton Div. Changes Name

Cleveland—Eaton Mfg. Co. has changed the name of its Pump Div. to the Marshall Div. in order to reflect more appropriately the division's broadened

product lines. The division, located in Marshall, Mich., makes fan drives and limited-slip-differentials in addition to its main line of hydraulic pumps.

Columbian Buys Cating

Auburn, N. Y.—Columbian Rope Co. purchased Cating Rope Works, Naspeth, N. Y. Principal object of the acquisition is to permit the firms to exchange technical information. Cating will operate independently.

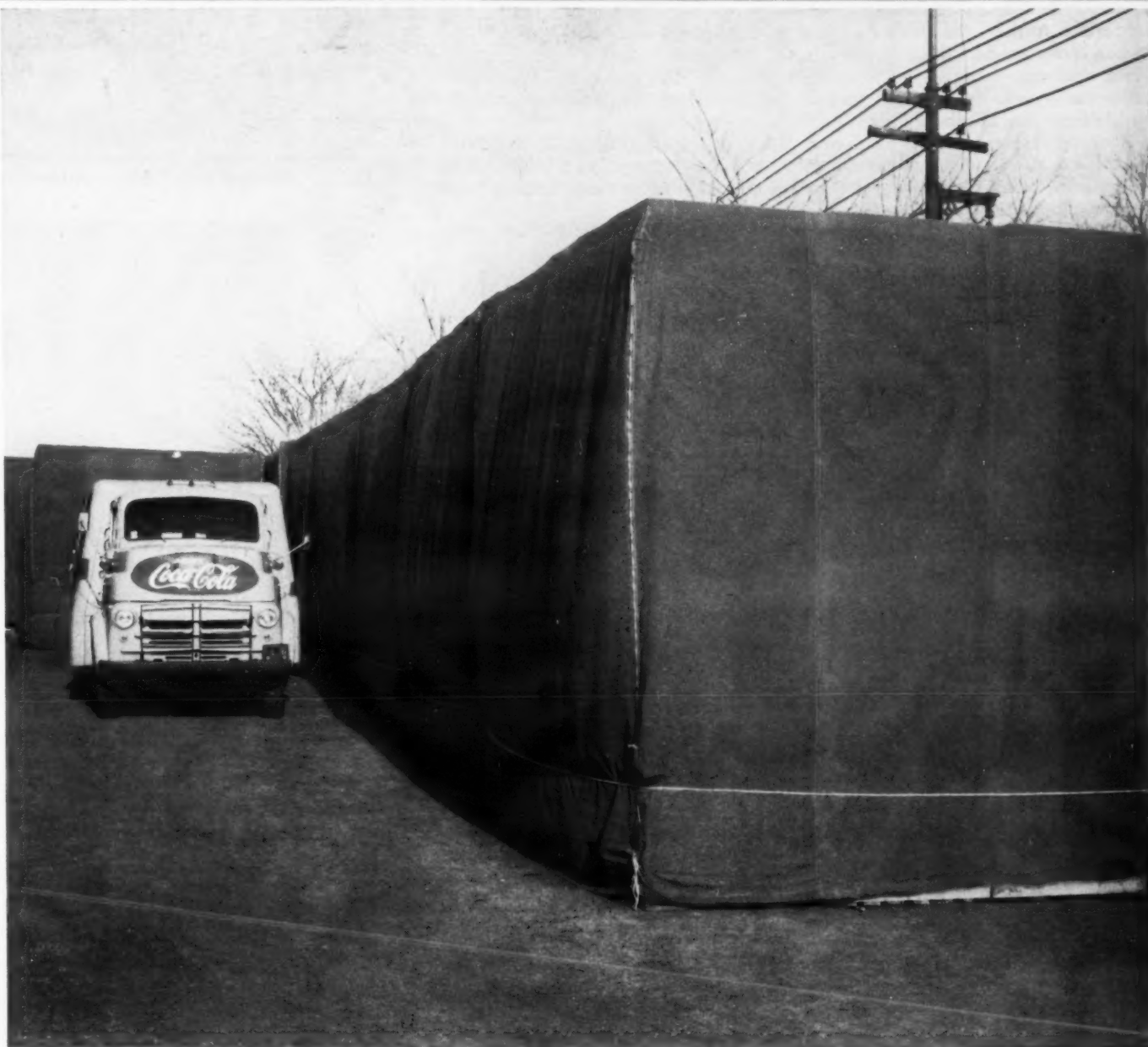
Wheelock Names Emory

Long Branch, N. J.—Wheelock Signals, Inc., producer of electric relays and signal systems, ap-

pointed Emory Design & Equipment Co., Birmingham, Ala., as sales representative for its military and industrial relays.

William C. Cornell Co.

San Leandro, Calif.—William C. Cornell Co., a new firm, has been established here to provide warehouse distribution and direct sales of industrial and construction equipment. Initially, it will handle products made by Nye Tool Co., Chicago; Milwaukee Electric Tool Co., American Chain Div., of American Chain and Cable, York, Pa.; Harco Mfg. Co., Portland, Ore., and Reclamo Co., Skokie, Ill.



A WINTER STORAGE PROBLEM—In the Spring of 1960, the Coca-Cola Bottling Company of Chicago, Inc., carried on a highly successful promotion of the now firmly established "king-size" bottle, to be purchased in eight bottle cartons. So great was the immediate acceptance of this campaign that volume return of the bottles to the four Chicago plants presented a definite winter storage problem. After carefully studying the situation, it was decided that the most efficient solution would be to store the bottles and cases under specially constructed canvas covers. Over two hundred canvas covers were designed for this purpose, each one tailored with zippered corners, and each cover measuring 13x13x12 feet. Covers were made by M. Mauritsen & Co. from Mount Vernon duck.

This is another example of how fabrics made by Mount Vernon Mills, Inc. and the industries they serve, are serving America. Mount Vernon engineers and its laboratory facilities are available to help you in the development of any new fabric or in the application of those already available.



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MOUNT VERNON MILLS, INC. PRODUCES A WIDE RANGE OF FABRICS IN THESE CATEGORIES: Army duck, ounce duck, wide duck, drills, twills, osnaburgs and sateens • Fabrics used by the canvas goods manufacturing industry • Hose duck, belt duck, chafer fabrics and other special fabrics for the rubber industry • Laminating fabrics and special constructions for the plastics industry • Ironing machine aprons and cover cloths for the laundry industry • Special fabrics for the coating industry • Standard constructions and specialties for the shoe, rug and carpet industries • Dryer felts for paper making, aprons for harvesting machines • Mop yarns and drapery fabrics • Work clothing fabrics for industry • Fabrics for U. S. Army and Navy • Specification fabrics for industry generally.

Self-Correcting Inventory System Lightens Space-Air

So-Called 'Real-Time' Control Gives Buyers Instant Material Requirements

North American Aviation's Space & Information Systems Div. (S&ID) has taken a giant step toward complete computer-controlled, up-to-the-minute purchasing via a new inventory usage system that corrects itself as changes occur.

Called Real-Time Programing, this operation may be compared with a human nervous system in its instantaneous ability to update information. Taking this comparison further, the division's IBM 305 RAMAC computer is the brain, holding inventory data in its memory bank. The chain of nerves communicating to the electronic brain is the receiving department, the inspection department, the warehouse, and the purchasing department, connected directly into the machine over data-carrying telephone lines.

These operating groups, spread over NAA's plant site, use IBM 357 Data Collection System equipment to relay to the computer changes in material status as they occur, thus enabling the 305 to maintain its inventory usage information on a real-time basis.

After a computer-generated purchase order goes out, here's how the departments keep the machine informed:

How It Works

- Receiving informs the RAMAC of delivery, listing any exception to the purchase order. Punched cards used here are produced as a by-product of computer printed orders. Actually the information entered on the cards is limited to deficiencies or overshipment of material ordered.

- Inspection relays results of its material examinations using data cards accompanying the shipment. This group keys in quantity of rejects which are subtracted by the computer from inventory figures.

- The warehouse notifies the computer center of receipt of material from inspection, giving a double check on number of rejects previously reported. Warehouse also informs the computer when it issues material controlled by the RAMAC. This input goes out on punched cards giving quantity issued and who received it.

With all this information pouring in over telephone line hook-up and simultaneously being digested by the computer, purchasing has immediate and direct access to the status of inventory. By means of direct teletype connection, buyers and expeditors can request information on any controlled item. They can query the RAMAC for specific information or ask for a complete readout of an item including unit price, quantity on hand, last three purchase orders, optimum traffic routing, and a requisition status report, both matched and unmatched.

Currently, material programed on the machine is limited to approximately 9,000 high-volume, min-max items. This represents about 33% of S&ID's total 28,000 purchased goods. The purchasing department expects eventually to have at least 50% of the division's inventory controlled by computer.

There are three types of items now controlled by the computer: operating supplies, such as stationery and forms; production supplies, including low-cost hardware, paints, and chemicals; and development material used in low volume for R&D work.

As part of its tight control of this inventory the RAMAC produces some unique reports. The computer, for example, automatically issues an Expedite Message when inventory level of an item becomes critical. The message includes any purchase orders outstanding for use by the expediter in putting a flame under the suppliers.

The computer also prepares an inventory request when on-hand quantity of an item goes to zero. This procedure replaces the need for an annual or semiannual physical count of all items in the warehouse. With this system, any items found in the storeroom when the computer reads zero inventory are easily counted, thus significantly reducing the total time required to verify amount on hand.

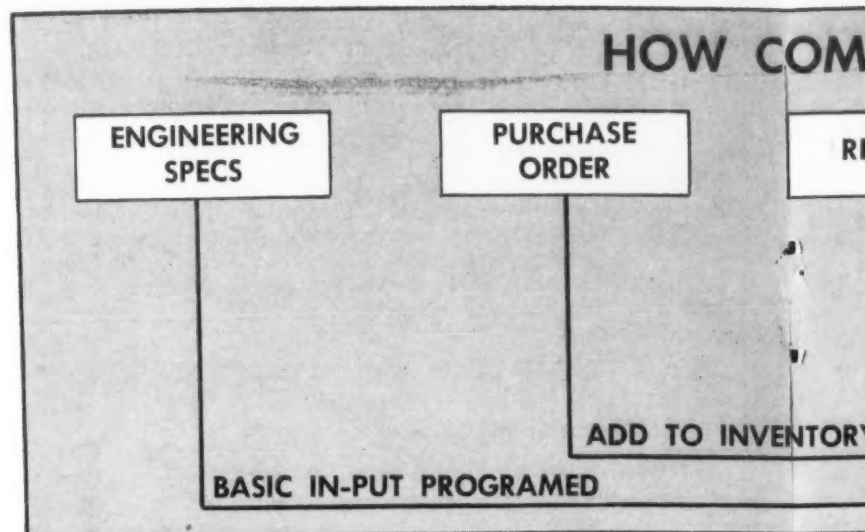
Computer Supplies Directory

Another automatic report turned out by the RAMAC is a Supplier's Address Directory. Prepared for buyer use and to meet Air Force requirements, this document lists almost 3,000 suppliers. Finally, the machine grinds out purchasing catalogs and cross-reference lists automatically.

Now in the works for the inventory system is an automatic traffic routing guide to be programed so that names of each carrier and points of interchange for all major cities will be available. S&ID also intends to establish a quantity history rating for all suppliers as a regular computer-prepared report. This would spell out for buyers vendor performance in product reliability and adherence to delivery schedules.

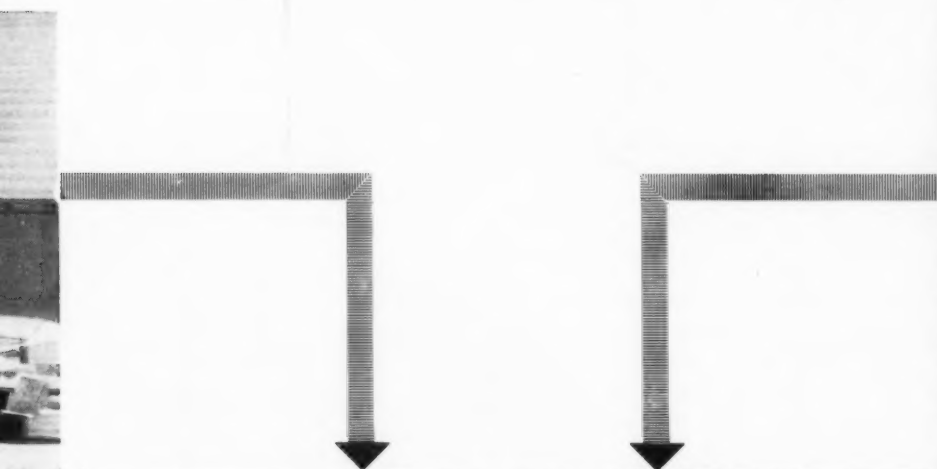
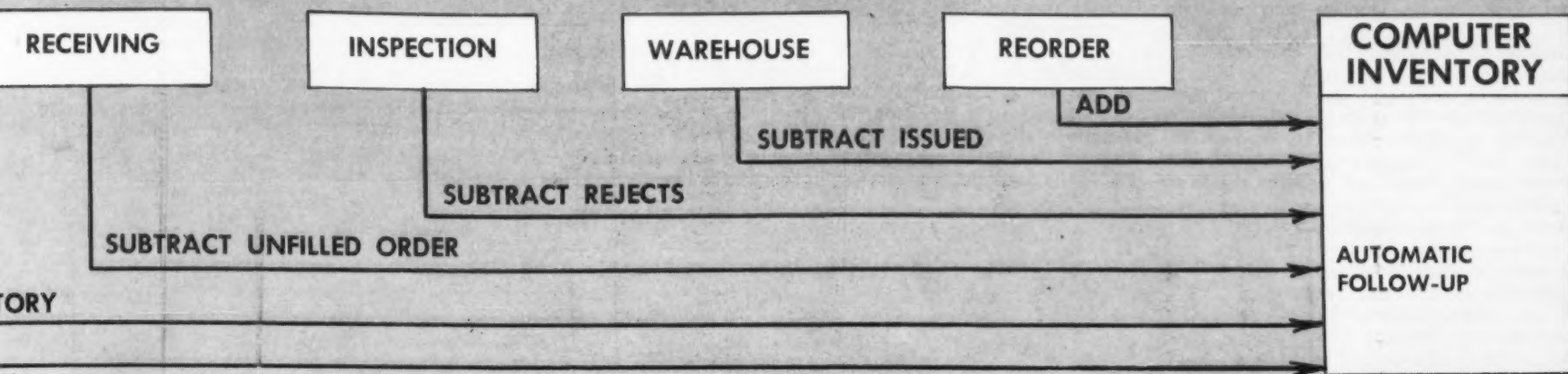
Real-time inventory control has proved its worth to S&ID. The computer has paved the way to a 20% reduction in warehouse floor space by examining slow moving items and printing out a list of those that should be removed. Because of time and paper work being saved (a 70% cut in expedite paper work alone), 40% of min-max inventory personnel moved to other departments. And the 305 eliminated manual comparison of book and physical inventory balance.

Under the new operation the RAMAC computer and its satellite equipment are the responsibility of the data processing group. The purchasing department, however, is almost an exclusive user of machine time. During the day shift, computer activity is mainly that of updating its memory bank with information flowing in from the remote input stations and answering queries from purchasing agents. The night shift does the remainder of the processing and report preparation.



Age Purchasing Load at North American Aviation

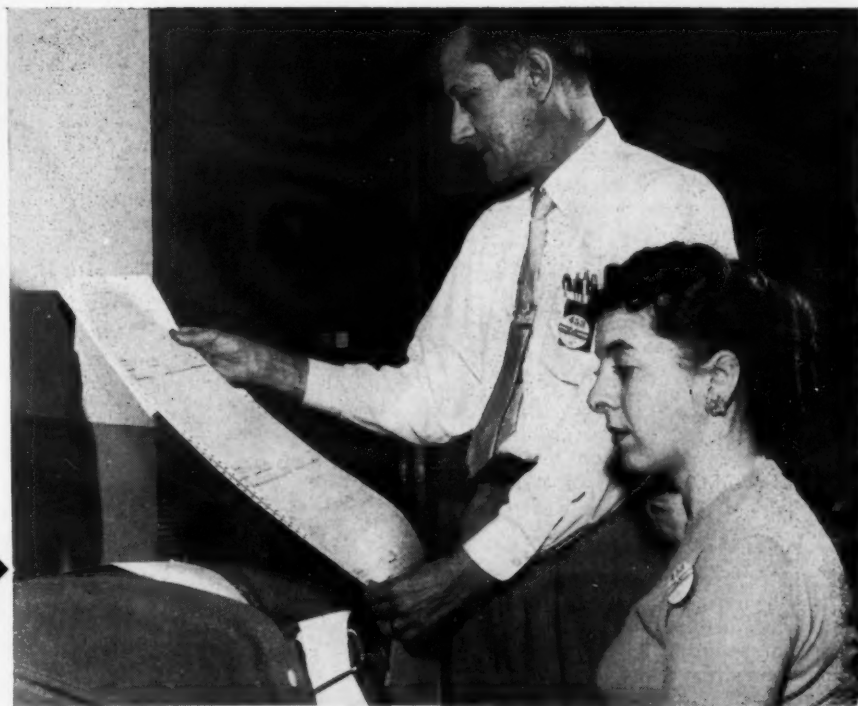
COMPUTER NERVE SYSTEM UP-DATES INVENTORY



BRAIN CENTER: Picking up all inventory information as it happens, computer headquarters prepares procurement documents, expediting information, and monthly analysis reports for purchasing department.



RECEIVING LINK-UP: Receiving record cards for each purchase order are produced and sent to the receiving dock to await arrival of the material. If there are any deficiencies or overshipments, receiving automatically informs the RAMAC.



PURCHASING INQUIRY: To get up-to-the-minute material requirements, a remote station located in the purchasing department quizzes the computer. Coming over teletype link is complete readout of item history, order status, and price.

New Aircraft Fuel Hose Designed To Dissipate Electrical Charges

Detroit—Aeroquip Corp. has developed a Teflon-lined fuel hose for aircraft that it says overcomes leakage caused by the build-up of static electricity. It will be offered at no increase price.

According to Aeroquip, failures may occur in any existing Teflon-lined hose that cannot dissipate one microamp. At a potential of 30,000 v. While contaminated fuels dissipate charges via the foreign particles contained in them, pure nonpolar hydrocarbons such as JP-4 commonly create a charge greater than this. In the early stages, leaks are about .003 in. in size and are difficult to detect, because the asbestos sleaving absorbs the leakage.

Aeroquip now is adding carbon black to the Teflon powder for the hose lining and aligning the carbon particles so as to create conductive paths. The company claims that the process retains the same impermeability characteristics as pure Teflon.

The hose is guaranteed to dissipate 7 microamp. at 300 v., which is equivalent to 1 microamp. over 700 in., and will alleviate the design restrictions on hose lengths enforced in the past.

Hoffman Consolidating Semiconductor Work At Enlarged Calif. Plant

El Monte, Calif.—Hoffman Electronics Corp. said it will finish consolidating operations of its Semiconductor Div. in an expanded plant here by early October.

The company has added 50,000 sq. ft. of floor space to the El Monte plant in order to house activities now being conducted in Evanston, Ill.

T. S. Hoffman, division general manager, said regulator production lines will be the last

manufacturing operation to be moved out of Evanston. The company has built up an extra-large inventory of regulators to take care of customer requirements during the transitional period, he said.

The company said it will continue to operate a field marketing staff at Evanston and will retain manufacturing facilities there on a stand-by basis.

Anaconda Sets New Unit To Handle Lumber End

Butte, Mont.—Anaconda Co.'s lumber operations have been expanded into an integrated logging, milling, fabricating, and

sales organization to be known as Anaconda Forest Products.

Immediate plans call for construction of a plant for processing lumber into end products, building a new planing mill, and complete modernization of the present saw mill. The new facilities will be located in Bonner, Mont., site of the sawmill.

Anaconda plans to broaden its market through a subsidiary to be known as Anaconda Building Materials Co. When this initial program is completed, "Anaconda will have an integrated timber products organization which can perform all operations from the forest to the customer's doorstep," a spokesman said.

Government Slates Sale Of Magnesium Casings

Washington—General Services Administration will sell 525 short tons of magnesium incendiary bomb casings this month.

This will be the third GSA sale from stores of magnesium casings released last year from the strategic stockpile. The casings, parts of World War II bombs, have been split lengthwise, measure about 12 in. long, weigh 18.65 ounces, and are about .375 in. thick. Magnesium content is about 96%, with the rest being aluminum.

The October sale will clean out the last of the casings stored at Pine Bluff, Ark. Bids are due by 11 a.m. Oct. 20 at GSA offices. Sales will be for minimum lots of 50 short tons on an "as is" basis, f.o.b., carrier's conveyance at Pine Bluff.

Magnesium casings stored at Tooele, Utah, total 1,522 tons. These will be sold in three offerings at six-week intervals in lots of around 500 tons each.

Raytheon Co. Expanding Semiconductor Activities

Lowell, Mass.—Raytheon Co. announced today that it will expand its semiconductor operations and move its silicon transistor, rectifier and Circuit-Pak activities here from five separate locations in the Greater Boston area.

Raytheon started moving into the vacant CBS Electronics-built plant. The company estimated that some production would be under way by early November and that the entire move would be accomplished before Jan. 1 without interrupting production schedules.

Reed Acquires 2 Firms

Houston—Reed Roller Bit Co. has entered the precision torque hand and power tool market with the acquisition of two Monrovia, Calif., firms—Richmont, Inc., and Livermont, Inc.

John Maher, Reed president, said the purchase includes patent rights held by Livermont on power tool torque analyzers and hand torque tools. The Richmont acquisition gives Reed the necessary manufacturing, engineering, sales, and distribution facilities. Both concerns will become a part of Reed's Cleco Div.



Shipper Warning

New York—Airlines are warning shippers that the closedown of commercial flights on Saturday Oct. 14 for the North American Air Defense Command's second Operation Skyshield exercise will actually have the effect of curtailing flights for a longer period than the 12 hours officially covered—from 1 p.m., Oct. 14 to 1 a.m. Oct. 15. The airlines say they must curtail flights that normally depart several hours before the test begins so they will not be in the air after the deadline.

Purchasing Week's

Transportation Memos

PIGGYBACK SLOWUP: Piggybacking loadings have not proceeded at the clip expected by railroads and freight forwarders after approval of Plans III and IV in June. One of the reasons, suggested by the 11-member committee of the National Assn. of Railroad and Utility Commissioners at its meeting in Atlantic City: Railroads are not offering shippers the kind of TOFC they want.

The committee cited "frequent" shipper complaints that not enough railroads supply Plan V TOFC, under which a railroad and a trucker offer joint rates.

Another shipper complaint, according to the NARUC committee: TOFC is slower than truck service, especially up to 500 miles, so equivalent rates don't provide much incentive.

Another gripe about piggybacking came from the National Small Shipments Traffic Conference. The conference hit a \$30 per trailer charge for protective services from heat or cold on Plans III and IV shipments.

The conference claims the charge brings with it no increase in service over the railroads' normal checking responsibilities when trailer (Plan III) or trailer and flatcar (Plan IV) do not belong to the shipper.

WAGE HIKE AFTERMATH: California truckers lost no time in posting rate increases following the higher wage package won by West Coast teamsters.

California Public Utility Commission okayed the first two of 13 rate increases sought by the California Trucking Assn. The increases, in four categories, range from 3% to 5.6% and, so far, apply only to certain areas of California. Increases to be sought in other parts of the state range from 5% to 10%.

Meanwhile, another Teamster wage hike was won from 28 trucking companies of the Carolinas amounting to \$5/week for over-the-road and \$4 for local drivers.

HELPER CHARGES: It's understood that at least two motor rate bureaus, the Eastern Central Motor Carriers Assn. and New England Motor Rate Bureau, plan to add to their tariffs a "helper charge" for each employee beyond the one required to help in loading and unloading truckload traffic.

Move gained impetus from ICC's recent suspension for seven months, pending investigation, of a move by two truckers to waive a "helper charge" by the Middle Atlantic Conference. The charge of \$1 per man for each 15 min. with a \$15 maximum was imposed last June.

LCL CUTOFF: Chesapeake & Ohio is latest to add to the growing parade of less-than-carload curtailments. Effective Oct. 1, it shut off LCL shipments to and from 10 points in Virginia.

Meanwhile, the Pennsylvania Railroad got the green light from the ICC's suspension board to go ahead with its discontinuance of LCL service on shipments of less than 10,000 lb. at four points in Ohio and 10 in Indiana.

RATE HEARINGS: Two proposals by the Rocky Mountain Motor Tariff Bureau will be aired in Denver Oct. 9. One would add a \$1 surcharge to all shipments, the other would raise present minimum shipment charge from \$3.45 to \$5.34. . . . Eastern Railroad's General Freight Traffic Committee has asked shippers to discuss in Cleveland Oct. 10 a number of rate changes involving lithium ore, lumber billets, fluor-spar, glassware, and grain.

LADING-FREIGHT COMBO: Smaller shippers rather than large ones appeared more willing to cooperate with the Traffic Managers Conference of California in its efforts to get a standard 5½ x 8½-in. combination bill of lading and freight bill adopted. Highest number of affirmative replies to a questionnaire came from shippers who make 1 to 24 shipments per day, the conference said.



This mark tells you a product is made of modern, dependable Steel.

How a "specially tailored" strip reduces production rejects almost 25% for Kromex

Kromex, Inc., Cleveland, Ohio, turns out a complete line of pantry ware, but they were having trouble with a square, mirror-finish chromium-plated cake cover that was made with a single deep draw. Rejection rate was a stunning 25%. They first tried a No. 3 finish for this application, but because of the very deep draw and the dense and smooth surface, satisfactory lubrication was near impossible. The result: Excessive draw marks and breakage. A regular No. 2 finish was then tried. The draw was successful. But buffing and finishing costs were prohibitive for this application.

American Steel and Wire salesmen conferred with our Metallurgical Department and suggested a specially tailored No. 3 finish. Reject rate dropped to less than 1% because the special surface was able to hold lubricant evenly, but smooth enough to draw and plate flawlessly.

Kromex is one more example of how strip, *tailored to end use*, works to produce a better product at lower cost. When you buy strip, you're buying a specific chemistry, temper, dimension, edge and finish that is consistently uniform within the coil or from coil to coil. Certain of your processing steps may actually be eliminated by using cold rolled strip, produced in our mills, and tailor-made for your specific end use.

Take a hard look at your production line and let our salesmen and metallurgical people look too. There's a good chance you can improve quality and cut production costs at the same time with *tailored-to-the-job* cold rolled strip from American Steel and Wire. American Steel and Wire Division, Rockefeller Bldg., Cleveland 13, Ohio. *USS and American are registered trademarks.*



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United States Steel Export Company, Distributors Abroad

School for Strategists

PURCHASING WEEK'S 'School for Strategists' delves this week into the recurrent problem of whether it is more economical in the long run to buy cheap components with questionable reliability or expensive components with more constant reliability. Also taken up is the related problem of inspection processes.

These problems are presented in the form of games, devised by P/W Consultant Martin L. Leibowitz as an exercise in disciplined decision-making to help you improve your purchasing practices.

Here's how they work.

Sample Problem

You're a Purchasing Agent seeking bids on a certain type of material, and you know that the more bids you get, the better price you'll receive from vendors that want your order. But it costs \$200 to process each bid, so the more bids, the higher will be the processing cost. Your problem is: How many bids should you ask to effect your greatest saving.

Here's the procedure to use in solving this problem:

(1) **What are you trying to do?** You're trying to decide how many bids you should ask for in order to effect the greatest possible saving.

(2) **What data do you have?** You know it costs you \$200 to process each bid. You know, too, that if you invite only one bid, you'll be at the vendor's mercy. But if there's competition, you'll get a better price. So amassing all the price data you can get, you come up with these estimates of savings: \$500 if two vendors bid; \$850 if three bid; \$1,100 if four bid; \$1,200 if five bid; \$1,300 if six bid.

(3) **Arrange this data in an orderly fashion.**

Bids Solicited	Savings
1	0
2	\$500
3	\$850
4	\$1,100
5	\$1,200
6	\$1,300

(4) **Now find the variables.** They are: the number of bids, the amount of the savings, and the cost of processing. As the number of bids increases, so does the amount of money saved—and so does the cost of processing the bids.

(5) **What are your alternate courses of action?** In this case, they are the number of bids you can ask.

(6) **Now, formulate a mathematical sequence.** You've already done part of this in Step 3; what you have to do now is add two more columns—one listing the cost per bid and the other giving the net savings; i. e., Column 3 subtracted from Column 2. Like this:

Number of Bids Asked	Savings on Purchase Price	Cost of Processing	Net Savings to Firm
1	0	\$200	\$200
2	\$500	\$400	\$100
3	\$850	\$600	\$250
4	\$1,100	\$800	\$300*
5	\$1,200	\$1,000	\$200
6	\$1,300	\$1,200	\$100

And there's your answer (starred). You should solicit four bids because that's your point of greatest net savings, \$300 (\$1,100 savings on material less the \$800 cost of processing). If you solicit fewer or more bids, the cost of processing them will eat up more of the material savings and give you a smaller net.

Now, try the two following problems on your own.

Problem I. Inspection Processes

Delta Corp. is trying to determine which of two testing processes to adopt for Byodes, an important component of Dexators, the company's main product. Because Delta issued a long-term service guarantee with every Dexator, any Byode failures hit Delta where it hurts.

Thus Delta's materials manager is looking into two inspection processes which promise to cut the costs of servicing the Dexator guarantees.

Process A would reject 10% of the Byodes, but some bad ones would sneak by. Testing would cost \$4.00 each. Process B would increase rejects to 20%, at a higher cost—\$6.00 each—but would cut service costs in half. Data on the two processes is summarized in the following table:

Testing Process	Byode Reject Rate	Inspection Cost Per Byode	Estimated Dexator Service Cost
A	10%	\$4	\$100
B	20%	\$6	50

Five accepted Byodes are required in the manufacture of each Dexator, and the purchase cost is \$10 per (untested) Byode. Rejects are a total loss.

The first step undertaken by Delta's materials manager was to compute the number of untested Byodes required for each Dexator. At a reject rate of 10%, he has found that about 5.56 untested Byodes are needed to produce the 5 accepted units required. For a reject rate of 20%, the number of untested Byodes per Dexator is 6.25.

Given this information, which inspection process would you recommend to the Delta Corp.?

(Answer on Page 38)

Problem II. Evaluating Components

Shortly after reaching a decision on the best Byode inspection process, Delta Corp. is approached by a vendor selling Tryodes. The vendor convinces Delta's P.A. that Tryodes are satisfactory substitutes for Byodes.

Inspection costs (\$4 or \$6 per component) and Dexator service costs (\$100 or \$50) remain the same. But the reject rate for the Tryodes is only half that for Byodes, and the vendor even is willing to write a contract in which all rejects would be taken back at full price.

Naturally, all these factors are quite favorable to the Tryode. There is only one catch: the unit price for the Tryode is \$12 (compared with \$10 for Byodes). The question is: Would the switch be worth the higher price?

As before, one of the first steps is to determine the number of untested Tryodes required per Dexator. This leads to the following table:

Testing Process	Tryode Reject Rate	Number of Untested Tryodes Per Dexator	Inspection Cost Per Untested Tryode	Estimated Dexator Service Cost
A	5%	5.26	\$4	\$100
B	10%	5.56	\$6	50

With this data, the Tryode vs. Byode decision can be made. Which component would you recommend?

(Answer on Page 38)

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- SPECIAL CHARTS**, special grid designs or special papers to handle any special requirements you may have...are routine to GC.
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2 3/4	x 2		x 2 1/4		x 3 3/4
	x 2 1/4		x 2 1/2		x 4
3	x 2		x 2 3/4	4 3/4	x 2 1/2
	x 2 1/4		x 3		x 2 1/2
	x 2 1/2		x 3 1/4		x 2 3/4
3 1/4	x 2		x 3 1/2		x 3
	x 2 1/4	4 1/4	x 2		x 3 1/4
	x 2 1/2		x 2 1/2		x 3 1/2
	x 2 3/4		x 2 3/4		x 4
3 1/2	x 2		x 3		x 4 1/4
	x 2 1/4		x 3 1/4	5	x 2 1/2
	x 2 1/2		x 3 1/2		x 2 3/4
	x 2 3/4		x 3 3/4		x 3
3 3/4	x 2	4 1/2	x 2		x 3 1/4
	x 2 1/4		x 2 1/2		x 3 1/2
	x 2 1/2		x 2 3/4		x 3 3/4
	x 2 3/4		x 3		x 4
	x 3		x 3 1/4		x 4 1/4
	x 3 1/4		x 3 1/2		x 4 1/2

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Consumers Seen Poised for New Buying Splurge

New York—All available yardsticks point to a definite increase in retail sales over the coming months. A significant sales rise could spark a boom in key raw materials that have been suffering from lack-luster demand.

Current optimism is based on these four plus signs:

• **Sales-income comparison**—Incomes have been rising relatively fast of late, but retail sales have not kept pace (see chart). This means that consumers have been socking away money that they would normally spend. Put another way, available purchasing power is way up.

• **Survey results**—The latest Michigan Research Survey, taken only a few weeks ago, shows a substantial pickup in consumer confidence. The center's index of buyer intentions is up to 101.5 (fall 1956=100)—a 7% jump over the previous quarter.

• **Installment credit**—On-the-cuff buying has been lagging of late. As a result, buyers have liquidated a lot of existing debt and are now in a position to step up borrowing—and still not go "over their heads."

• **Retailer optimism**—Recent pronouncements by department store executives indicate that they are planning on a 3%-4% rise in fourth-quarter sales. And going further out into the future, Myron S. Silbert, vice president of Federated Department Stores, recently made this prediction: "Total retail trade will increase in 1962 by 4% or more over 1961—and there will be good, solid, year-to-year gains in both soft goods and hard goods."

Basis for Optimism

Most of these businessmen base their optimism on the fact that the sales-income ratio is now down to 52%. In other words, only 52% of personal income is being spent by consumers. That's substantially below the 54½% of last year—and even further away from the 59% high water mark set in 1954.

This ratio is bound to rise, most retail observers say, because it always does during a period of business recovery. They also observe that this low ratio over the past year or so has helped to build up the purchasing power reserve of consumers.

Thus, savings in the quarter ending Sept. 30 are estimated to be at the annual rate of \$28-billion. Last year (1960), savings averaged only \$22.9-billion. That means there's over \$5-billion more around for spending.

A few economists, however, disagree that all this points to a tremendous buying surge. Although they concede that some pickup is likely, they feel a good deal of the savings now in the hands of consumers is being earmarked for spending on services. They note services now take up 40% of personal income.

While the experts are arguing about whether the retail increase is going to be big or small, one thing is clear: The consumer himself is certainly indicating great optimism (see chart). The

index of buying intentions, as measured by the Michigan Survey Research Center, is at its highest point in almost five years.

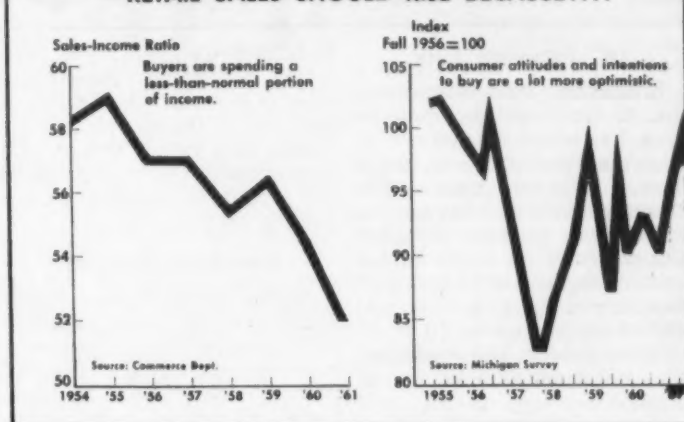
A look at the individual categories in the survey reveals how specific lines may fare. As for auto buying, there's about a 10% increase in the number of consumers who say they will buy an auto over the next year. If buyers mean what they say, it confirms Detroit estimates of a

relatively good year for 1962 models—somewhere in the vicinity of 7-million units.

Response Affirmative

Responding to another question on household durables, consumers also reveal basic optimism. When asked whether they thought it was a good time to buy furniture, refrigerators, TV sets, etc., the response was overwhelmingly affirmative.

RETAIL SALES SHOULD RISE BECAUSE....



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... another advantage
for 2 STRIP
CASE SEALING



LUDLOW'S NEW
NON-ASPHALTIC

Quick-Strip REINFORCED SEALING TAPE

2-strip case sealing with Quick-Strip wins friends for your product because it offers important new packaging convenience. Ludlow's reinforced sealing tapes with new non-asphaltic Quick-Strip takes the mess, effort, and delay out of opening cartons—leaves no tar-like smears on knives, counters, clothes, products, or people, as ordinary reinforced tapes do. And it's the lowest-cost non-asphaltic tape on the market!

Quick-Strip is reinforced for tremendous strength, yet peels away readily when you want it to, leaving only a light kraft tissue that splits easily with the slightest touch. Give your cartons the sealing-power and opening-appeal of modern Quick-Strip.



GLASPUN-SNAKETAPE

The most extensive service on printed tapes in the industry, ranging up to seven colors.

LUDLOW PAPERS, Dept. PW101, Needham Heights 94, Mass.

A Division of Ludlow Corporation

Send me details and samples of
Ludlow non-asphaltic Quick-Strip reinforced tape.

Name _____

Firm _____

Address _____

City _____ State _____

New Plants, Expansions

UC Expands Line

Bridgeville, Pa.—Refractomet Div. of Universal Cyclops Steel Corp. has added sintered molybdenum mill products to its line of arc-cast refractory metals. The company said it now has sintered molybdenum available in sheets with widths of up to 36 in. and random lengths, and in bars with diameters of $\frac{1}{8}$ in. to 2 in. and random lengths up to 10 ft. A complete product line is planned with warehouse stocks in all forms.

Airco to Build

Huron, Ohio—Air Reduction & Sales Co. will build and operate a \$3-million oxygen plant to supply a methanol facility which du Pont Co. is constructing near here. The Airco plant will have a capacity of more than 250 tons of high-purity oxygen daily.

Huck Opens Offices

Detroit—Huck Mfg. Co. opened new sales offices in Wichita, Kan., and Seattle, Wash., in a move to provide increased sales and engineering services to customers throughout the U.S. Huck makes fasteners, as well as installation tools for the aircraft, missiles, automotive, marine construction, and electronic equipment industries.

Goodyear Builds

Baumont, Tex.—Goodyear Tire & Rubber Co. is constructing a \$20-million plant here. The new plant, scheduled for completion in October, will produce two new synthetic rubbers—bude and natsyn.

G-P in New Field

Portland, Ore.—Georgia-Pacific Paper Corp., a subsidiary of Georgia-Pacific Corp., will enter the multiwall paper bag field early next year after the construction of a new plant at Toledo, Ore. The company said the expansion will help give it a well-rounded paper converting program.

Vacuum Products Branch

Palo Alto, Calif.—Vacuum Products Div. of Varian Associates opened a district office in Cleveland. The new office will serve customers in Ohio, Michigan, western Pennsylvania, and western New York.

Helium Plant Completed

San Francisco—Air Reduction Pacific Co., a division of Air

Reduction Co., Inc., has completed a helium compressing plant in Portland, Ore. Approximate cost of the new plant was a quarter of a million dollars. Air Reduction Pacific Co. produces and supplies industrial gases and welding products.

Standard Expands

North Haven, Conn.—Standard Connector Corp. expanded production facilities by acquiring from the Electronics Div. of Whitney Blake Co., Hamden, Conn., all presses, tools, molds,

and other equipment used in the manufacture of electrical connectors. Standard Connector products are used by the aircraft, missile, and electronics industries.

C&K Buys Vol-Pak

Holyoke, Mass.—Crompton & Knowles Corp., producer of textile machinery, acquired Vol-Pak, Inc., New York, a manufacturer of modular pouch packaging machines. The newly acquired company will be merged into the Crompton & Knowles Packaging

Corp., a division of the parent company.

National Electric Office

Bay City, Mich.—National Electric Welding Machines Co., builder of special, standard, and automatic welding machines, will extend coverage of its existing Denver, Colo., office by opening a branch sales office in Salt Lake City, Utah.

Delhi-Taylor Terminal

Dallas, Tex.—Delhi-Taylor Oil Corp. opened its new 160,000 barrel products terminal in Syracuse, N. Y. It is Delhi's fifth terminal in the state of New York for distributing refined petroleum

products, including No. 2 heating oil, motor gasoline, diesel oil, and kerosene.

National Tool Expands

Detroit—National Tool & Die, Inc., acquired the Mardigan Boulevard plant here. Complete die construction facilities are available for manufacturing large and small automotive dies, jigs, and fixtures.

Continental Steel Builds

Kokomo, Ind.—Continental Steel Corp. will build a \$500,000 addition to its plant here for oil tempering high carbon wire which is used primarily in springs.



"GENTLEMEN OF THE JURY"

You are viewing a trial. The men you see here are about to reach a verdict. A verdict that means life or death to the defendant. ♦ The trial is taking place in an underground tunnel that connects the factory with the administration buildings at Johnson's Wax. Here, over fifty test panels are built into corridors used by hundreds of employees every day in the routine of their work. Electric-eye devices count the number of people who tramp across these panels daily — so it is an easy matter to compare products tested on these panels for durability, gloss, resistance to spotting, scuffing. ♦ Who is the defendant in this trial? Today it is a new floor finish just out of the laboratory. It is being judged by a jury

WHERE-TO-BUY

National purchasing section for new equipment, service, and merchandise
SPACE UNITS: 1-6 inches.
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for immediate delivery 12 POINT EXTERNAL BOLTS WRENCHING certified aircraft quality



Mercury 12 point external wrenching bolts, manufactured from high tensile steel and high temperature, heat resistant materials, to meet exacting customer requirements. High temperature... MS 9033 thru MS 9039; High tensile steel... MS 9088 thru MS 9152. Exotic materials available. Write for Catalog 286. AN—N.A.S.—M.S. and 6-digit hardware. Immediate delivery of standard sizes

Mercury air parts co., inc.
9310 West Jefferson Blvd., Culver City, Calif.
Telephone—Upton 0-5923—Teletype—CVR CY 4138

MANUFACTURERS OF PRECISION HARDWARE

Military Procurement Regs Undergoing Revision

(Continued from page 1)
centive fee contracts only about 0.6%.

In a fixed-fee contract, the company is reimbursed all its allowable costs and paid a fixed sum as a fee. The fee is based on estimated costs to perform the contract. By law, the fee is limited to 10% of cost on production contracts and 15% on research and development.

Under present procurement regulations, there is an administrative limit of 7% on production and 10% on research and

development. These ceilings can be exceeded only with top Pentagon approval and are only rarely allowed by contracting agencies. In practice, the average fee on cost-plus contracts has ranged from 5% to 8%.

The fixed fee contract has been severely criticized—by industry and within government circles—on the grounds that it provides an inadequate profit motive for contractors and that it results in excessive costs for the military.

A cost-plus incentive-fee contract—the type the Pentagon

plans to use more widely—assures the contractor of a minimum fee. But the fee can be increased within certain specified limits if the contractor produces for less than the originally estimated costs.

Under the new policy, the contractor will stand the risk of a lower-than-normal rate of profit—even an outright loss—if he exceeds originally estimated contract costs or if his performance, in terms of product quality and delivery time, is unsatisfactory to the military.

But there's an additional profit incentive: Fees would be boosted above the target fee when the total allowable costs are less than the target cost. Similarly, there is a negative "incentive" for the contractor since his profit or fee decreases when the total allowable costs exceed target costs.

Up to now, contractors have been allowed to retain an average 10% to 30% of savings realized on incentive-type contracts—that is, the government takes back from 90% to 70% of the savings on contracts where actual costs fell below initial estimates.

The new policy will allow contractors to share such savings on a more liberal basis. Says an

official: "There's no reason why it shouldn't be 50-50." The cost-plus fixed-fee contractor will continue to be used for study and so-called "level of effort" R&D contracts. But if the R&D contractor is pushing for some sort of finished hardware, the intent will be to seek an alternative type of contract.

Under fixed-price contracts, the contractors are exposed to greater risks. But there's also the element of greater profit. Limitations are not prescribed, and—by shaving production costs—the contractor does not have to share the savings with the military—in firm fixed-price contracts, at least.

If the fixed-price contract has a price-redetermination clause, however, he must, in effect, share the savings since the initially estimated price is renegotiated after the contract's completion. But under the new policy, use of this type of clause will be discouraged.

In addition to the upcoming regulation changes, the Defense Dept. is pushing other measures to (1) hold down procurement costs, (2) upgrade the organization and personnel handling military purchasing, and (3) standardize procedures of the dozens of military field agencies which buy from industry.

Top-Priority Project

One top-priority project is to establish a workable system of evaluating contractor performance. This would clarify the guidelines for contractor profit allowances and for selection of companies for new awards.

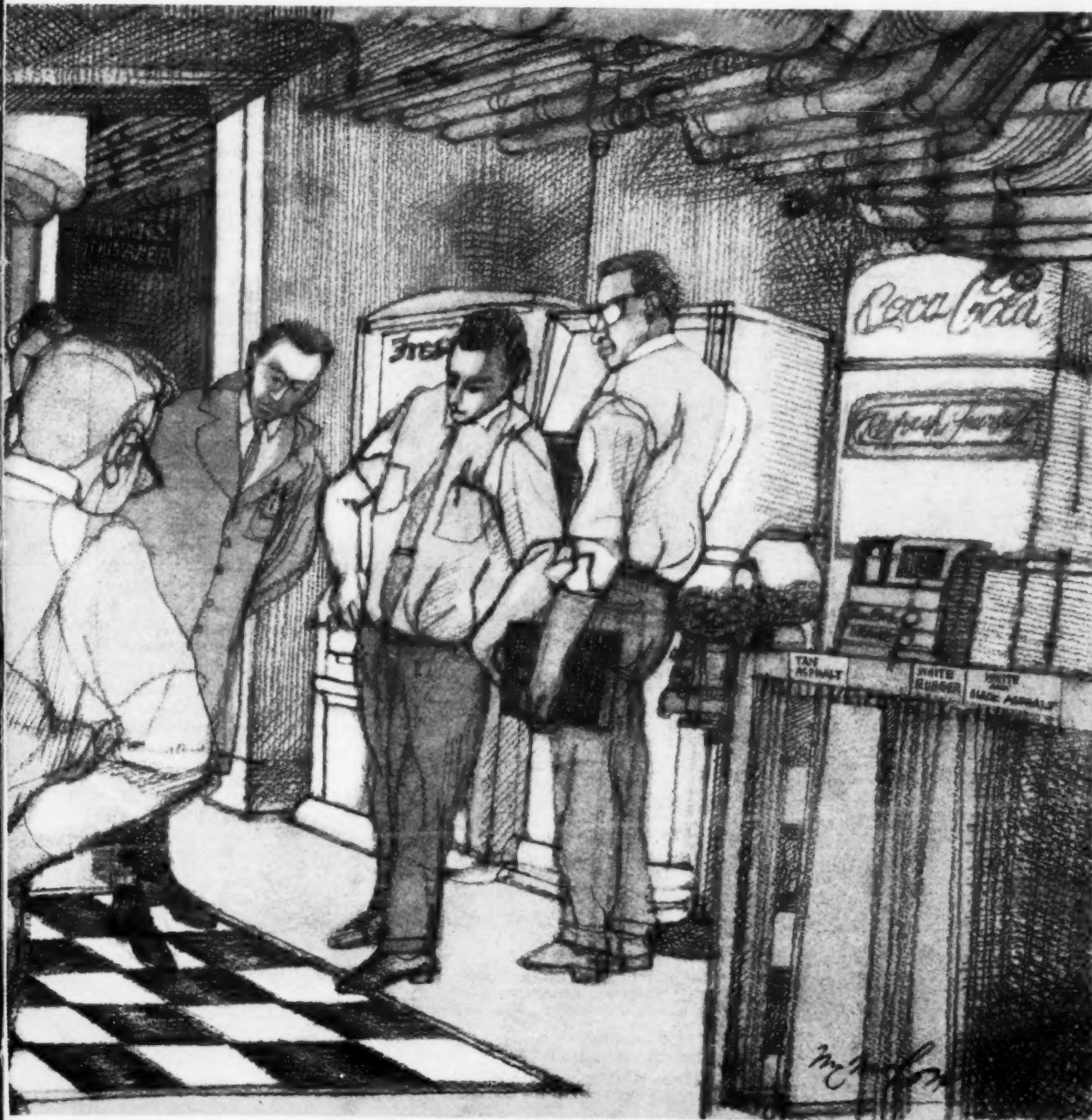
The Logistics Management Institute, the private, nonprofit research organization recently sponsored by the Defense Dept. to make studies of military supply problem (see PW, Oct. 2, '61 p 4), will spearhead the work on this project.

As visualized by Pentagon officials, the contractor evaluation system would break down into two major segments—evaluation from business management and from technical or scientific viewpoints. On the first, the aim would be to see how competent a firm is in its purchasing procedures, how it estimates costs, and the like. On the second, the stress would be on such questions as the contractor's attainment of scientific objectives, its utilization of engineering personnel, and such.

If such factors as these can be broken down, with mathematical weights assigned to each one, it might be possible, officials say, to come up with a meaningful system to evaluate how defense contractors perform. In the past, says one official, this has been done "only on a hit or miss basis with an inadequate basis for discriminatory judgment."

This technique of measuring contractor performance, if ever successfully conceived, would apply only to major system contracts.

Included among other projects the institute is expected to tackle are studies on: (1) the economic breakeven point for achieving widespread competition in procurement of such items as aircraft spare parts, where low-volume purchases are now made of hundreds of thousands of products from single sources of supply; and (2) a wide-ranging effort to measure the "cost-benefit" ratio of specifications in major hardware systems.



of experts—chemists, sales managers, floor care experts and management representatives. They are all trying to discover one important fact about this product. Does it live up to this company policy: "A new product will not be marketed unless it can do the job it is designed to do better than anything else available to the public." If it does not, then it will be sent back to the labs for more work. We test every single product we release like this to prove to ourselves that it is superior to anything else—and we are tougher in our demands than outsiders would ever be. That's why you always get products with a "Big Difference" from Johnson's. Recognize these names? STEP-AHEAD, SUPER-SHUR-TRED, FORWARD, WAX-STRIP, WAXTRA! These are tested products—quality products... Johnson's products.

JOHNSON'S WAX...THE PEOPLE WHO TAKE A LONG HARD

LOOK AT YOUR MAINTENANCE PROBLEMS—AND SOLVE THEM

© S. C. JOHNSON & SON, INC., RACINE, WISCONSIN

Product Briefs

Snap-action switch for manual or mechanical operation of vending machines, refrigerators, and other appliances is rated at 10 amp. at 250 v. ac., 1/4 hp. at 125 v. ac. Single-pole, double-throw contact arrangement is standard with single-pole, single-throw optional. *Minneapolis-Honeywell Regulator Co., Freeport, Ill.*

Packaging materials, extrusion coated and laminated, come in a wide variety of combinations of

paper, plastics, foil, mesh, and textiles. The materials, with applications primarily in convenience packaging, are printed in up to six colors and are available as roll stock or pouches. *The Chase Bag Co., 355 Lexington Ave., New York, N.Y.*

Seal prevents tampering with aerosol can contents before sale. After sale, it is easily torn off and can't be repositioned. The transparent unit can be attached immediately after the can has

been filled, fits any standard 1-in. valve cap, and clears most valve activators available. *Pharmoplastics, Inc., 205 S. Smallwood St., Baltimore 23, Md.*

Additive produces improved stainless steel and other alloys by purging oxygen and hydrogen during pouring. It comes in granular or molded ring form. For each 500 lb., a 4-oz. self-dissolving bag of granules is dropped into the mold. The ring form is added directly to the

ladle. *Crane Packing Co., Dept. PW-7, 6400 Oakton St., Morton Grove, Ill.*

Impact wrench has hydraulic amplifier that shuts the tool off when desired torque is reached. Torque control permits quick, easy adjustment in varying ranges from 20 ft./lb. to 100 ft./lb. and is tamper-proof. The reversible tool is rated at 3/8-in. nominal bolt size but has optional drives of 1/2 sq. in., 5/8 sq. in., or 7/8 hexagon external quick change chuck. *Rotor Tool Co., 26300 Lakeland Blvd., Cleveland, Ohio.*

Floodlight produces 330,000

lumens and has an operating life of about 4,000 hr. The 6,000-w. lamp is a combined mercury-fluorescent light source 5 ft. long and 4 in. in diameter with a mercury arc lamp extending its length. *General Electric Co., Large Lamp Dept., Nela Park, Cleveland 12, Ohio*

Hydraulic power package offers tank size of 10, 20, 40, or 80 gal. Each model has an electric motor (up to 40 hp.), a choice of piston and vane pumps (up to 60 gpm.), relief valve, and reservoir. Internal baffling gives a long return path that improves heat dissipation and purges the oil of any trapped air. *Vickers, Inc., Detroit 32, Mich.*

Board composed of shavings-type particles of prime timbers forms the core for many veneering and laminating applications. Double sanding of both surfaces assures a fine surface for secondary gluing. Standard units come in thicknesses to 1 1/8 in. and sizes to 5 ft. x 10 ft. *Gray Products Co., Inc., Waverly, Va.*

Lacquer decal needs no water or special preparation for mounting. A protective facing paper is removed, the decal pressed to a surface, and the backing sheet removed for complete application. The material is weather resistant and available in a full color range or any transparent or opaque color combination. *Allied Decals, Inc., 20700 Miles Ave., Cleveland 28, Ohio.*

Strapping buckles for Avistrap cord are offered for all widths from 1/4 in. to 3/4 in. They can be re-tensioned with one-piece tools, eliminating the need for re-strapping of settling loads. *American Viscose Corp., 1617 Pennsylvania Blvd., Philadelphia 3, Pa.*

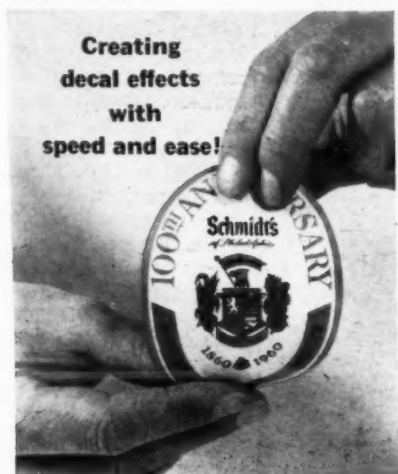
Molding compound of fiberglass-reinforced polyester shows excellent physical strength and corrosion resistance in addition to complete static draining. Molded parts require little or no subsequent machining and are lighter than metal. *The Glastic Corp., 4321 Glenridge Rd., Cleveland 21, Ohio.*

More effective labeling and tagging!

Time was when most labels and tags were considered routine printing jobs. Those days are gone forever... The growth of self-service consumer buying has made top management realize the importance of tags and labels as selling tools at the point-of-sale... and increased the responsibility of the men who buy them.

Today, tag and label buyers look beyond first cost to the job to be done. They look for tagging and labeling techniques that increase point-of-sale effectiveness, meet difficult specifications or reduce over-all costs.

Naturally, many of these value-minded buyers look first to Dennison... originator of more new labeling and tagging techniques than any other single source. A few examples of problem-solving teamwork between buyers and Dennison are briefly reviewed here.



Creating decal effects with speed and ease!

Beer and safety razor blades have little in common. Yet, both have profited from a labeling technique that speeds and simplifies decoration.

Schmidt's of Philadelphia celebrated its 100th anniversary as a brewer in 1960... with a Dennison split-top pressure-sensitive label playing a major role. Printed in three colors on transparent acetate and gummed with permanent Dennison PRES-a-ply® adhesive, it simulated a decal in appearance and clinging power. But, how different in application ease. No soaking in water. No sliding into position. Just a zip of its paper backing... a pat of the fingers... and there it was on an automobile or truck window. All of Schmidt's employees and distributors participated.

Gillette used the same labeling technique to redecorate thousands of counter cases when the Super Blue Blade hit the market with history-making impact in 1960. This Dennison PRES-a-ply label was printed in red, white and blue on transparent acetate to match the "price" spots already silk-screened on the glass cover of Gillette's full-line display case. Neatly and securely applied in seconds by finger-tip pressure, it saved time and bother for Gillette salesmen as they made their promotion rounds.

Other users of this PRES-a-ply labeling technique find it the quickest, easiest way to add new prices, premium offers and

other promotional or variable information to existing packages or displays. High-speed Dennison PRES-a-ply label dispensers keep application costs amazingly low.

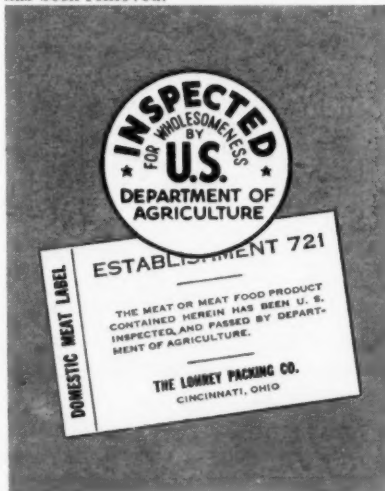
Giving "Easy on" labels extra "Stay on" power!

Few users of labels must meet such demanding specifications as meat processors. For, the US Department of Agriculture, a strict task master, insists on meat products being permanently labeled according to its regulations for consumer protection.

Cryovac film packaging of poultry, for example, calls for the application of a USDA inspection label after the film has been shrunk tightly around the bird in boiling water. The labeled package is then subjected to hours in a deep freeze. Yet, the label must remain 100% tamper-proof. For a Tennessee processor, Dennison supplied a pressure-sensitive label with such permanent adhesion that it cannot be removed without detection. To the customer's delight, the USDA inspector gave his complete approval not only for use on Cryovac film but also on waxed paper overwraps and waxed board boxes.

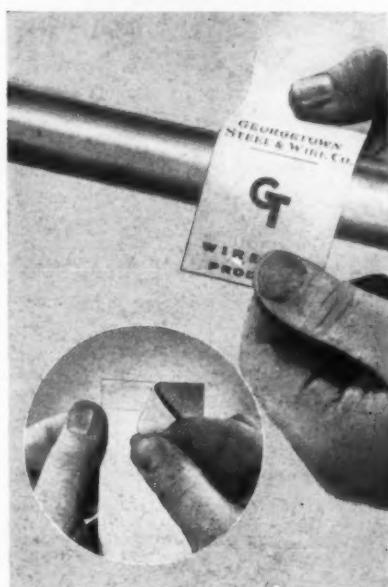
This same Dennison PRES-a-ply labeling technique is also bringing The Lohrey Packing Co. of Cincinnati and other federally inspected meat packers the benefits of strong adhesion. USDA regulations specify the labeling of stainless steel trucks and containers for meat and meat products. Each time a truck or container is emptied, it must be thoroughly steam-cleaned before re-use. Previous labels washed off after each use and often clogged drains, causing costly plumbing bills.

Dennison solved the problem by supplying PRES-a-ply labels with an adhesive so strong that even steam cleaning could not take it off! Printed on water-proof stock with grease-proof ink and over-varnished, these labels survive 40 washings! The Lohrey Packing Co. no longer has to worry about continually reordering and applying labels to their containers. A big headache has been removed.



If you need labels that will stay on through steam cleaning, freezing or any other harsh environment—you need permanent PRES-a-ply.

New stringless technique slashes tagging costs!



A stripe of self-sticking adhesive on the back of the tag is now replacing the traditional string or wire in many cases.

This new tagging technique not only reduces attaching costs but also brings the benefits of tagging to products formerly considered impossible, impractical or difficult to tag.

With the self-sticking stripe on one end, as on the back of the Georgetown Steel & Wire Co. tag, you have a new wrap-around technique. It is now increasing the point-of-purchase appeal of such widely varied products as tools, home appliances, luggage and furniture. Other users apply these tags directly to doors, windows, lumber, trunks, tires, windshields and toys.

In-plant applications of this new technique employ couponed system tags for production, piece-work and inventory control.

NEW FACT FOLDER!

If you're responsible for getting more sales impact per dollar out of tags and labels or reducing over-all labeling and tagging costs, this free fact folder will prove invaluable to you. It describes techniques and shows samples that are now increasing sales and profits for some of America's most successful marketers. For your free copy, write directly to Dennison Mfg. Co., Dept. X291.



Dennison

Helping you compete more effectively

FRAMINGHAM, MASSACHUSETTS

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Product News in Brief

New W-K-M Valve Ball

Houston — W-K-M Div. of ACF Industries is offering "the most easily adjusted, maintained, and overhauled ball valve available to industry" for control of gas, slurry, and fluid flow. Sizes range from 1/8 in. to 2 in. in a working pressure range from vacuum to 1,440 psi.

A "sealing capsule" of conical-shaped Teflon, molded around the ball of the seven-part valve, provides a positive seal when forced into contact with the valve body by the turning of a screw-in base plate.

When wear requires rebuilding, the operation can be done in line in about three minutes by removing the base plate and handle to drop out the capsule. Replacement with a new capsule and stem seal sets the valve back in operation. W-K-M reports, however, that it has run a test valve through 500,000 cycles so far without any sign of deterioration.

ICI Introduces Ulstron

London — Imperial Chemical Industries, Ltd., has started production of a new high-tenacity polypropylene filament yarn called Ulstron, reported to be the strongest of its type in the world.

Imperial said Ulstron will sell for 98¢/lb. to \$1.12/lb. First commercial uses are expected to be for twine, ropes, and fish netting. Monofilament yarn now is available in small quantities for market evaluation, while multifilament yarn is scheduled to go on the market early in 1962.

First full-scale plant for making Ulstron will begin operation by the end of the year at Wilton. It will have a 5-million lb. annual capacity. Imperial said additional manufacturing facilities will be built as needed at a recently acquired site in Kilroot, North Ireland.

Low-Carbon Plate

Tokyo — Japan Steel & Tube Corp. has announced a new low-carbon electric plate, designated LCE, as a replacement for silicon plate in applications such as appliance motors, d.c. motors, and circuit breakers.

It is composed of almost pure steel obtained by means of an oxygen converter which permits low-cost mass production of the steel. Characteristics include high magnetic flux density, quick dissipation of residual magnetism because purities are small, maximum efficiency through elimination of distortion and annealing, and superior insulation coating.

LCE dimensions are 0.5-mm. coil thickness, 914-mm. (or less) plate width, 1,829- to 3,048-mm. plate length, and 508-mm. inside dia.

Ultra-Pure Tungsten

Bloomfield, N. J. — Westinghouse has developed a practical method of producing single crystals of tungsten large enough to permit commercial fabrication of small parts from them.

The crystals, commercially available in rods 10 in. long and 0.2 in. in diameter, have a purity

of 99.9975%. By achieving this high percentage, Westinghouse engineers say they have proved that ductility of the metal depends on purity. The ultra-pure crystals remain ductile even at temperatures as low as -330 F.

Reds Unveil 8 Machines

Moscow—Sverdlov Works in Leningrad has developed a series of eight boring machines that can work parts weighing 660 lb. to 770 lb. to an accuracy of one

micron, according to Tass News Agency.

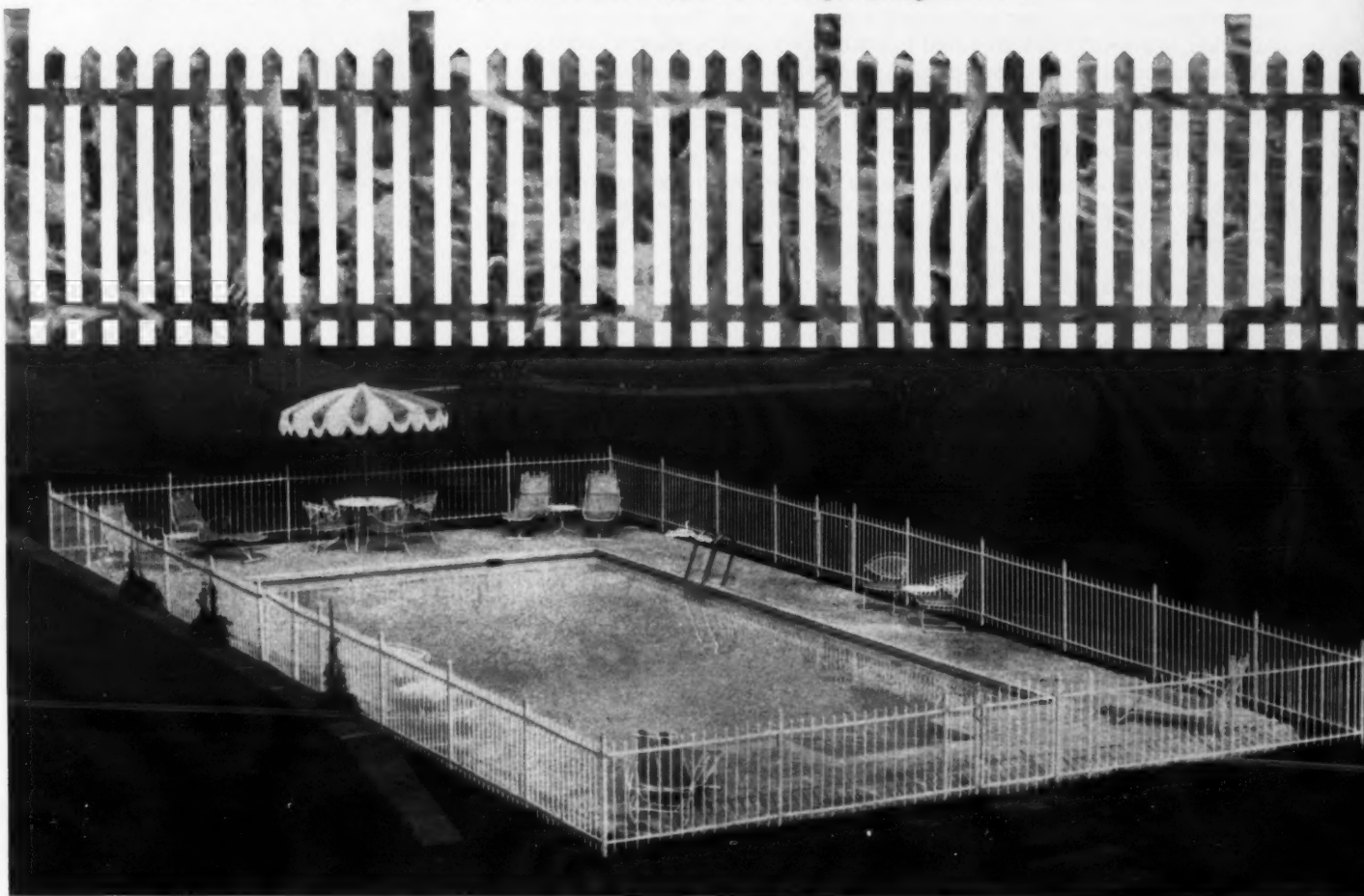
The boring machine tools are described as the largest of their type in the world and are fitted with cybernetic devices programming the work and controlling its accuracy. The Leningrad machine-building industry, of which the Sverdlov Works is a part, is concentrating on tools in the super-precise category and is reported as preparing to manufacture grinding machines with an accuracy of 0.2 micron.



UTILITY CAR: New gasoline vehicle by Toro Mfg. Corp., Minneapolis, can be used for light hauling and personnel transportation. Capable of speeds of 7 to 10 mph, vehicle has carrying capacity of 15.4 cu. ft.



The rich look of wrought iron, yet Westmoreland's new fencing is . . .



GUARDED BY GALVANIZED STEEL

You're looking at an attractive new idea in fences from Westmoreland Metal Manufacturing Company of Philadelphia. It's a steel fence made of square tubing which duplicates the traditional appearance of wrought iron. But it costs less and virtually eliminates maintenance problems.

It's made of galvanized steel, which means lasting protection from the punishing whims of Old Man Weather. Come rain, come snow, the zinc coating stays on guard for keeps. Galvanized steel also helps hold down the price of this fence because of its low initial cost and the ease with which it can be formed into desired shapes.

WEIRKOTE® IN PARTICULAR! The galvanized steel used in this new fence line is National Steel's Weirkote. To the inherent strength, economy and versatility of steel, Weirkote adds enduring zinc protection via the modern continuous process. As a result, Westmoreland president, Irving H. Kutcher, reports: "Weirkote comes through our fabricating operation without any harm whatsoever to its protective zinc coating. We never have to worry about chipping or peeling." Weirkote is manufactured by two National Steel Corporation divisions, Weirton Steel and Midwest Steel. Write Weirton Steel, Weirton, West Virginia, for further details.



MIDWEST STEEL
Portage, Indiana

WEIRTON STEEL
Weirton, West Virginia



Divisions of
NATIONAL STEEL CORPORATION

Purchasing Week's Automotive Perspective

(Editors Note: Following is the fourth in a series of columns discussing highlights of the 1962 model cars, with emphasis on their fleet characteristics.)

Mercury Monterey

As Comet is to Falcon, so is the Monterey to the Ford Galaxie. They are twins close enough to allow for transplant of their mechanical innards. Big difference is attention paid to trim, insulation, and suspension.

Mercury calls its suspension "Cushion-Link," getting the name from the fact



that mounting in rubber allows suspension components to move in four dimensions. Normally these units are restricted to a set arc. Advantages are shock absorption, sensitivity, and improved car life due to less harshness and friction.

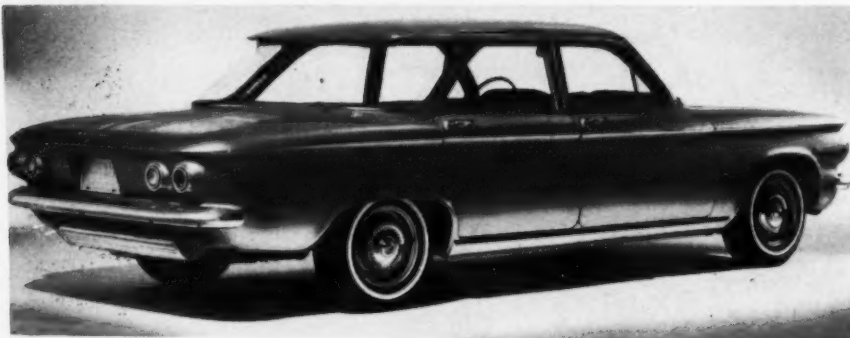
An indication of the attention paid to sound proofing are these statistics: Each car contains 90 sq. ft. of sprayed-on deadener and 170 sq. ft. of blanket insulation.

Monterey is available in two series and 12 models, including two- and four-door pillar sedans for fleets.

Summary: Engine—6 cyl., 223 cu. in., 135 hp. standard, V-8's to 300 hp. optional. Gasoline—regular except for largest V-8. Basic dimensions—wheelbase 120 in., over-all length 215.5 in., headroom 38.4 in., trunk capacity 30.7 cu. ft. Tires—four-ply 7.50 x 14. Useful accessories—two- and three-speed automatic transmissions, alternator, driver-controlled trunk release. Special maintenance features—spring-loaded ball joints, self-adjusting brakes, lube oil, and antifreeze same as Ford. Price—\$2,538.*

Chevrolet Corvair

Little has changed with this unique little car except its popularity. It was slow to catch on when first introduced in the fall of 1959, but when the bucket-seat Monza sports model was offered in mid-1960, sales started to zoom. This version



now accounts for 50% of Corvair production. A folding rear seat makes a cargo carrier out of the sedan.

The Corvair continues to be America's only rear-engined, air-cooled car. All bugs have long since been wrung out of this sturdy aluminum-based powerplant. Corvair is now available in three series plus the "95" line of slab-nosed trucks and personnel carriers.

Summary: Engine—6 cyl., 145 cu. in., 80 hp. standard, same with 95 hp. optional. Gasoline—regular. Basic dimensions—wheelbase 108 in., over-all length 180 in., headroom 37 in., trunk capacity 12.6 cu. ft., plus 3.2 cu. ft. in rear seat well. Tires—two-ply 6.50 x 13. Useful accessories—automatic or four-speed manual transmission, "hang-on" air conditioner. Special maintenance features—1,000-mile chassis lube, 4,000-mile oil change, no water or antifreeze needed. Price—\$1,817.*

Ford Fairlane

The 115.5-in. wheelbase Fairlane is Ford's all-new entry in the so-called "in-between" field. It has interior dimensions equal to larger cars, but is still reasonably compact and offers economy approaching that of such smaller cars as the Falcon.

Standard engine is a 170-cu. in., 101-hp. six identical to the one used as an option in the Falcon. Under certain conditions users might find this combination slightly underpowered, so an optional V-8 of 143 hp. is offered. This will move the 2,800-lb. car from zero to 60 mph. in about 17 seconds—not neck-snapping but satisfactory.

Initially only two- and four-door sedans will be produced in two series. Bodies are of unitized construction, and the sills are galvanized for corrosion resistance. Interesting suspension feature is the use of "torque boxes" at each wheel. Conventional springs absorb most of the impact of a bump, but then the force is

(Continued on page 33)

Here's your weekly guide to . . .



Bridging Ramp

Supports 1,500 Lb.

Lightweight magnesium ramp comes in 21 models of 7-ft. to 16-ft. lengths, 25-in. to 37-in. widths, and with 1,000-lb. to 1,500-lb. capacities. The ramps have angled upper ends, can bridge height differentials of from 16 in. to 58 in., and have a nonskid walkway embedded in abrasive.

Price: \$140 (1,200-lb. capacity). Delivery: 2 to 3 wk.

Brooks & Perkins, Inc., 1950 W. Fort St., Detroit 16, Mich. (PW, 10/9/61)

SIC #3537



Intercom Telephone

Has Two Lines

Intercom telephone, fully compatible with other instruments of a private automatic exchange, has two lines with corresponding hold buttons. When a line button is pressed, the hold button automatically goes down without cutting out the other line. The instrument has a priority cut-in button to reach a busy phone and can also be bridged to another one.

Price: \$52.50. Delivery: immediate.

Tele-Norm Corp., 32-31 57th St., Woodside, N. Y. (PW, 10/9/61) SIC #3661



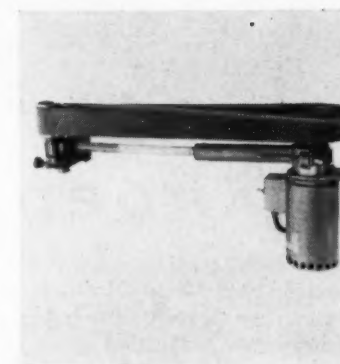
Head-Piece System

Protects Welders

System for full above-the-shoulders protection of welders provides for supply of filtered air or, with an adapter, of in-plant compressed air. The double-shell fiberglass helmet is teamed with a spark-resistant shroud. Toxic fumes and all flux fumes are removed by a filter for extra-fine particles. A chemical filter is also available.

Price: approx. \$70. Delivery: immediate.

Jamieson Laboratories, 7900 Haskell Ave., Van Nuys, Calif. (PW, 10/9/61) SIC #3842



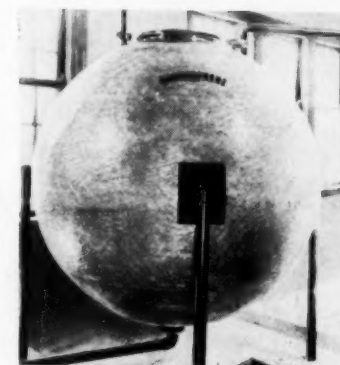
Belt Grinder

Permits Varied Use

Abrasive belt grinder with 1½-hp. or 2-hp. motor for 3,400 rpm. can be mounted on most basic machines, bench-mounted, or used as a portable tool for deburring, polishing, and rough or finishing grinding. Belts are 2½ in. wide and up to 60 in. long. The 25-lb. tool's idler arm rotates 360 deg. for unlimited positioning.

Price: \$390 (1½ hp.) and \$410. Delivery: approx. 10 days.

Larmet Co., 108 Wiggs St., Griffith, Ind. (PW, 10/9/61) SIC #3548



Reinforced-Plastic Tank

Resists Corrosion

Spherical tank of glass-reinforced polyester comes with manhole, line connections, couplings, and drain connection for use as a processing or storage unit where corrosive conditions exist. The 6-ft. dia. size holds 847 gal. and an 8-ft. dia. holds 2,009 gal.

Price: \$585 (6-ft. dia.) and \$900. Delivery: 3 to 5 wk.

Justine Enterprises, Inc., 3755 Edwards Rd., Cincinnati 9, Ohio. (PW, 10/9/61)

SIC #3079

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.



Desk Set

Has One or Two Pens

Ball pen desk set comes in single- or double-pen units with turret mounts and a black base. The single-pen set has a black pen with blue ink, and the double-pen set has also a red pen with red ink. Both are refillable with any Eberhard Faber cartridge.

Price: \$1.19 (single pen set) and \$1.98. **Delivery:** immediate.

Eberhard Faber Pen & Pencil Co., Inc.,
Crestwood, Wilkes-Barre, Pa. (PW, 10/9/61) **SIC #3951**



Grid Board

Has Corner Mounting Holes

Printed circuit grid board has corner mounting holes and also comes with a plug section useful for computer design work. The copper-clad, glass-ceramic has a grid of .052-in., through-plated holes set 0.1 in. on center. It comes in 4-in. x 6-in. and 6-in. x 8-in. sizes with silicone rubber mounting grommets.

Price: \$4.25 and \$11.25 (without plug sections). **Delivery:** 10 days to 3 wk.

Corning Glass Works, Corning, N. Y.
(PW, 10/9/61) **SIC #3679**



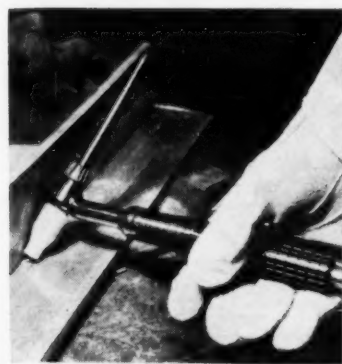
Power Shear

Cuts Metals and Plastics

Power shear with fast trigger action plugs into any 110-v. outlet to cut sheet metal, coils, plastics, fiberglass, Formica, aluminum, brass, and copper. It weighs 4½ lb. and has tool steel blades housed in an aluminum head, plus an aluminum handle and motor casing. Air-driven models are also available.

Price: \$69.50. **Delivery:** 2 to 3 wk.

W. P. B. Industrial Products, Inc., 8244
Christiana Ave., Skokie, Ill. (PW, 10/9/61) **SIC #3548**



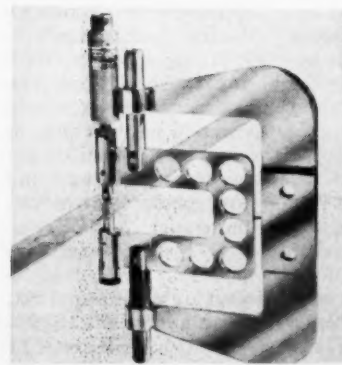
Electrode Holder

Has Thumb-Operated Gas Valve

Air-cooled, tungsten-inert gas holder with 160-amp. a.c. or d.c. capacity has thumb-operated gas valve. The unit welds thin gage aluminum, stainless, copper, magnesium, and other special metals and alloys. It accepts electrodes with .20- to 3/8-in. dia. and 2-in. to 7-in. lengths, and is available with a variety of accessories.

Price: \$90 to \$110. **Delivery:** immediate.

Air Reduction Sales Co., 150 E. 42nd
St., New York 17, N. Y. (PW, 10/9/61) **SIC #3623**



Floating Caliper Fixture

Measures Moving Strip

Floating caliper fixture with remote electronic readout indicates, records, or automatically controls thickness of moving strip materials. It takes thickness measurements of up to 1 in. with an accuracy of .001 in. Range of caliper travel is 2½ in. and throat depth is 4½ in.

Price: \$585. **Delivery:** 4 wk.

Caytronic Corp., 225 S. Jefferson St.,
Dayton 2, Ohio. (PW, 10/9/61) **SIC #3545**

Automotive Perspective

(Continued from page 32)

further cushioned by the torque boxes before being passed on to the body. The purpose is somewhat similar to that of the bucking bar used by riveters.



All Ford Motor Co. products include the heater-defroster unit in list prices; however, unlike GM, the item can be deleted upon specific request.

Summary: Engine—6 cyl., 170 cu. in., 101 hp. standard, V-8 221 cu. in., 143 hp. optional. **Gasoline**—regular. **Basic dimensions**—wheelbase 115.5 in., over-all length 197 in., headroom 38.7 in., trunk capacity 29 cu. ft. **Tires**—two-ply 6.50 x 13. **Useful accessories**—overdrive with either engine, two-speed automatic transmission, "hang-on" air conditioning. **Special maintenance features**—30,000-mile chassis lube, 6,000-mile oil change, two-year antifreeze. **Price**—to be announced first week in November but estimated at \$1,875.*

Ford Galaxie

Ford Division's one remaining full-size car is characterized by thoughtful, detail improvements.

Typical is the idea to bleed illumination from the tail-lights to light the trunk. This eliminates extra-cost mercury switches used in the past. Another (and this



one made possible the move to a 6,000-mile oil change) is a water-warmed spacer between the carburetor and the intake manifold.

Galaxies have the same 119-in. wheelbase as last year but are somewhat shorter over-all and narrower. Exterior sheet metal changes are restricted to a new grille, bumpers, and deck lid. The car retains conventional chassis construction, and within the two series, every conceivable body style is available.

Summary: Engine—6 cyl., 223 cu. in., 135 hp. standard, V-8's ranging up to 401 hp. optional. **Gasoline**—regular for six and normally specified V-8's; high-performance V-8's require premium. **Basic dimensions**—wheelbase 119 in., over-all length 209.3 in., headroom 38.4 in., trunk capacity 28.1 cu. ft. **Tires**—four-ply 7.50 x 14 except wagons, 8.00 x 14. **Useful accessories**—overdrive, two- and three-speed automatic transmissions, four-speed manual transmission, padded panel and sun visors, vacuum-operated litter disposer. **Special maintenance features**—30,000-mile chassis lube, 6,000-mile oil change, two-year antifreeze. **Price**—\$2,333.*

Pontiac

Pontiacs this year come in four series on three different wheelbases. The surprisingly inexpensive Catalina model is of most interest to fleets.

Pontiac retains chassis-frame construction, but emphasizes the safety of box girder around the perimeter of the car. These cars look wide due to the unusually



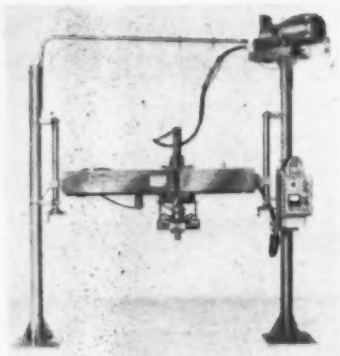
wide front and rear tread, but actual over-all width of 78.6 in. is below many other cars in its class. Engineers claim the wider tread offers greater stability.

This car is taking on all comers at stock car races. Of more interest to fleets, though, is an optional economy engine with a two-barrel carburetor and 8.6-to-1 compression ratio that is designed for use with the hydromatic transmission.

Summary: Engine—V-8 cyl. 389 cu. in., 215 hp. standard with options ranging to 348 hp. **Gasoline**—regular with 8.6 to 1 ratio engines, premium on all others. **Basic dimensions**—wheelbases 119, 120, and 123 in. depending upon model, over-all length starts at 211.6 in., headroom 38.5 in., trunk capacity 33.2 cu. ft. **Tires**—four-ply 8.00 x 14. **Useful accessories**—power steering and brakes recommended, hydromatic transmission. **Special maintenance features**—35,000-mile chassis lube, 4,000-mile oil change. **Price**—\$2,477.*

* Prices are factory-suggested list for cheapest models in line and exclude transportation, handling charges, taxes, and optional equipment.

—Don MacDonald, McGraw-Hill Detroit Bureau
(Next Week's Fleet: the top executive models—Cadillac, Lincoln, Chrysler.)



Traverse Mechanism

Holds Foam-Dispensing Devices

Traverse equipment for use in foam production of rigid and flexible slab stock or for pouring over large areas adjusts in height, stroke, and traversal rate. The prime mover is a pneumatic, rotary type that gives smooth reciprocation through the air system's natural cushioning.

Price: \$4,700 to \$5,300. **Delivery:** 60 to 90 days.

Martin Sweets Co., Inc., 114 S. First St., Louisville, Ky. (PW, 10/9/61) SIC #2821



Funnel

Resists Corrosion

Hard-rubber funnel has chemical resistance to a wide range of corrosive materials. The 1-qt. unit has a wide top diameter designed to permit the molding of a 1 1/8-in. reinforced lip to increase stability and impact resistance. Impact resistance is built also into the short thick-stemmed spout.

Price: \$2. **Delivery:** immediate.

Stoke Molded Products, 240 Webster St., Trenton 4, N. J. (PW, 10/9/61) SIC #3069



They had a *\$1000 lunch*
in their cafeteria

When the purchasing agent met the comptroller and vice president in the company cafeteria, the talk turned to rising costs.

"We're looking for ways to save money on paper napkins for example," the purchasing agent said as he picked up one from the table.

And they saved money—cut costs by switching to Fort Howard Napkins in the Cafeteria and Fort Howard Towels and Tissue in the washrooms. Fort Howard paper products saved this company as much as \$1,000 per year on paper costs. The

answer was in the right product for the job.

Fort Howard Paper Towels, Tissue, and Napkins are available in a wide range of folds, rolls, and quality. This means you can cut costs by selecting the proper grade, fold, roll, or pack in the price range you need to meet your requirements exactly.

There is a Fort Howard representative nearby anxious to demonstrate to you how dining room and washroom expenses can be cut, and happy employee relationships maintained.



Fort Howard Paper Company

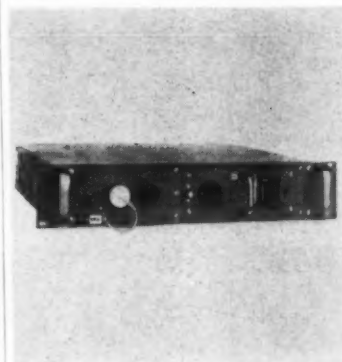
Green Bay, Wisconsin

Sales Offices in New York, Chicago, Los Angeles

America's Most Complete Line of Paper Towels, Tissues and Napkins



© Fort Howard Paper Company



Preamplifier

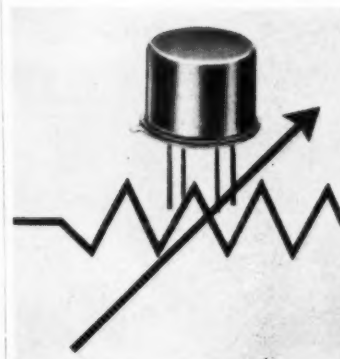
Isolates Low Level Signals

Differential preamplifier has common mode rejection of 180 db. for d.c. and 130 db. for 60 cps. with up to 1,000 ohms unbalance in either signal lead. Input is completely isolated from both output and chassis ground and may be floated up to ± 300 v. with respect to ground. Small signals which normally would be masked by common mode hum and noise are isolated and amplified accurately.

Price: \$1,475. **Delivery:** 1 wk.

Cohu Electronics, Inc., 5725 Kearny Villa Rd., San Diego 12, Calif. (PW, 10/9/61)

SIC #3611



Potentiometer

Takes Little Space

Silent potentiometer sealed in a transistor case is designed for either a switch, relay, or potentiometer application in circuits requiring minimal space and power. It is 0.37 in. in diameter, 0.26 in. high, and weighs 0.4 oz. The control circuit can be driven with the low power of only 25 mw. at 1 v. It uses a tiny incandescent bulb as the control element and a miniature photosensitive resistor as the signal element.

Price: \$8.75. **Delivery:** immediate.

Raytheon Co., 55 Chapel St., Newton 58, Mass. (PW, 10/9/61)

SIC #3611

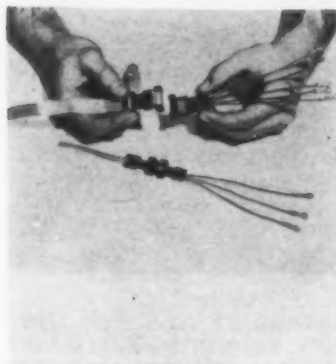


Padlock

Resists Freezing

Outdoor padlock protected by a flush-fitting flip-up lid resists rusting and freezing under the severest weather conditions. The housing is an aluminum alloy casting, and all other parts are of nonferrous metals also. The swing yoke which breaks through ice coatings as the lock is opened has a $\frac{3}{8}$ -in. diameter. A dust cap for the keyway is optional.

Price: \$6.50. **Delivery:** immediate.
CLM Industries, Toronto 13, Canada.
(PW, 10/9/61) SIC #3429



Flat Cable Adapter

Joins With Round Wire

Adapter device permits connection of flat cable to existing wiring systems of electrical and electronic equipment. The device makes use of two components—the round wire body adapter and a mating flat cable connector—and comes in two sizes—for three wires and five wires.

Price: 43¢/pr. and 50¢/pr. (lots of 100).
Delivery: immediate.

Thomas & Betts Co., 36 Butler St.,
Elizabeth, N. J. (PW, 10/9/61) SIC #3999



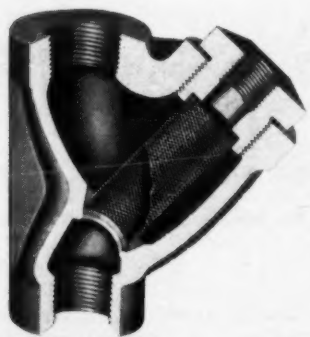
Fastening Tool

Has Automatic Torque Control

Fastening tool with right angle head has automatic torque control adjustable from 5 in./lb. to 100 in./lb. When preset torque is reached, jaws disengage until the lever throttle is released. The tool comes in six models: $\frac{1}{4}$ -in. square drive, $\frac{3}{8}$ -in. square drive, and $\frac{1}{4}$ -in. female hex, all in 500-rpm. and 1,300-rpm. models. The angle head design permits accessibility to difficult locations and minimizes torque reaction.

Price: \$275 (1,300 rpm.) and \$300 (500 rpm.). **Delivery:** immediate.

Buckeye Tools Corp., 5003
Springboro Pike, Dayton 1, Ohio.
(PW, 10/9/61) SIC #3548



Line Strainer

Handles 600 Psi. at 650 F

Ductile iron line strainer for steam, water, air, oil, gas, or chemicals is suitable for 600 psi. at 650 F or for 1,000 psi. at 100 F. It is available in $\frac{1}{4}$ -in. to 3-in. sizes with screwed ends and a standard 30-mesh monel screen. Other mesh and metals are also available. An accurately machined body recess and screen cap let the screen fit snugly without binding to prevent fluid bypass.

Price: \$7.50 to \$86. **Delivery:** immediate.

OPW-Jordan Corp., 6013
Wiehe Rd., Cincinnati 13, Ohio.
(PW, 10/9/61) SIC #3499

The President of Swingline Shows:



**How American Ingenuity
Solved the Pilferage
Problem in Staplers**



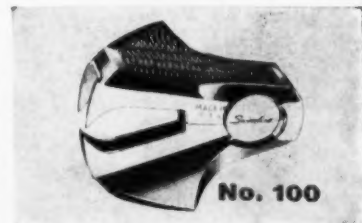
No. 27

Disappearing staplers had been a major problem in many business firms until Swingline Research Experts came up with the answer: an exclusive imprinting process that permanently identifies every stapler you buy with your firm name or trademark.

RESULT: Major firms throughout the country who are now using Swingline No. 27 Imprint Staplers find people love them...but leave them.

And...did you know Swingline also makes Staple Removers?

The same high quality you enjoy in Swingline Staplers is yours in Swingline Staple Removers. Extract staples in one easy, quick movement saving fingernails and paper...won't tear even the thinnest onionskin. Crisply modern in design with all metal parts finished in gleaming, tarnish-proof chrome, this handsome Staple Remover comes in 4 favorite colors: red, green, black and grey. Write for a complete list of Swingline Office Aids.



No. 100

Swingline INC., Long Island City 1, New York
World's Largest Manufacturer of Staplers for Home and Office

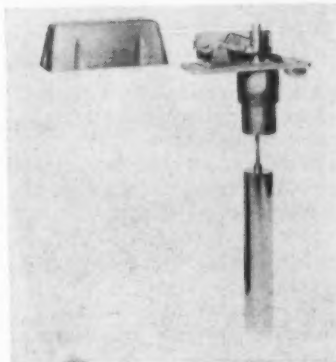


Crimping Tool

Has Cycle Control

Manually operated tool for crimping removable pins and sockets used in electrical connectors has a precision cycle control that eliminates overcrimping or undercrimping. Unit crimps MS-3190 #20A, #20, #16, and #12 contacts; and MS-24254, MS-24255 #20, #16, and #12 contacts. The tool requires no operator adjustments.

Price: \$97.50. **Delivery:** immediate.
Buchanan Electrical Products Corp., Hillside, N. J. (PW, 10/9/61) SIC #3423



Transducer

Measures Liquid Levels

Transducer for open or pressure vessels measures liquid level and converts it into an electrical resistance. Effective weight of the liquid, as the level changes, reacts on a displacer suspended in the liquid. Various displacer lengths are available.

Price: \$190 (as shown). **Delivery:** 8 wk. (after January 1962).

Magnetrol, Inc., 5300 Belmont Rd., Downers Grove, Ill. (PW, 10/9/61) SIC #3821



Capacitor

Has Wide Application

Solid tantalum capacitor is designed for filter, by-pass, coupling, blocking, RC differentiating and integrating circuits, phase shifting, and vacuum tube grid circuits. Capacitance is from 1.0 mf. to 330 mf.; capacitance and tolerance, $\pm 5\%$, $\pm 10\%$, or $\pm 20\%$; working voltages, 6 v., 10 v., 15 v., and 35 v. Operating temperature range is -80°C to $+85^\circ\text{C}$ at full-rated voltage or to $+125^\circ\text{C}$ at derated.

Price: 67¢ to \$4.53, depending on capacitance, tolerance, and quantity. **Delivery:** 3 to 4 wk.

Erie Resistor Corp., 644 W. 12th St., Erie, Pa. (PW, 10/9/61) SIC #3679

SYNFLEX Self-Storing Air Hose

Supple, lightweight, flexible air hose for all air tools or air operated overhead equipment. Extends easily, retracts automatically. Neater, safer working conditions.

■ **Synflex Self-Storing Nylon Air Hose** replaces conventional hose. It's lighter, easier to work with, lasts longer, costs less. Oil-proof. Extends to 30 times retracted length. No swelling to throttle air flow now or ever. Working pressures: Standard weight 170 psi; heavy duty 250 psi. 4 to 1 safety factor. Sizes: $\frac{3}{16}$ thru $\frac{1}{2}$ ID.

SYNFLEX

Products Div.
Samuel Moore & Co.
Mantua, Ohio

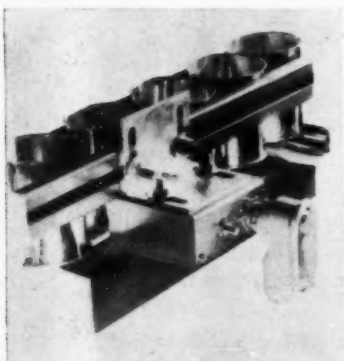
Working Wonders with Wire

Wire motor mounts cut cost, weight, and absorb vibration. Shown is a single, one piece welded wire/strip assembly that serves as both motor mount and fan guard. Other types, styles can be custom designed for you.

SEND FOR Titchener's Wire/Strip Value Analysis Design Package. Complete facilities for fabricating wire forms, welded wire and strip assemblies, light stampings, staples.

E.H. Titchener

AND COMPANY
6 TITCHENER PLACE, BINGHAMTON, NEW YORK



Proximity Control

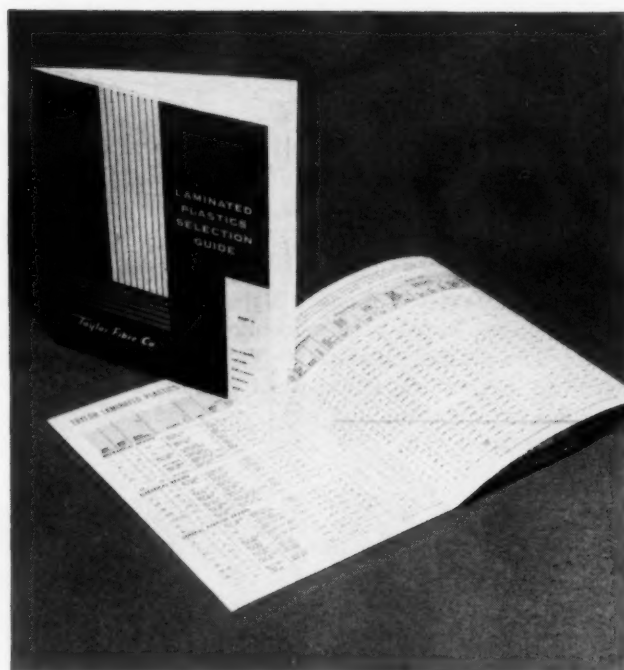
Senses All Metals

Proximity control that senses all metals handles aluminum cans, aluminum-capped bottles, and aluminum foil packages. Stability of the sensing circuit permits operation at freezing temperatures and above 140°F with no appreciable change in sensitivity. The device comes with adjustable time delay panel to provide in-transit surge storage of containers, to stop lines in sequence when stoppages occur, prevent package back-up, etc.

Price: from \$115. **Delivery:** immediate.

Peco Corp., 111 Ortega Ave., Mountain View, Calif. (PW, 10/9/61) SIC #3622

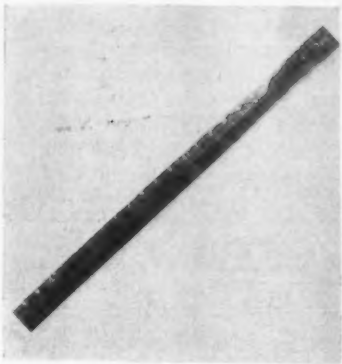
Buying LAMINATED PLASTICS... as sheet,



TAYLOR FIBRE CO. BELONGS AS AN APPROVED SUPPLIER

Taylor has the products... offers more than 50 grades of industrial laminated plastics... including paper, cotton cloth, nylon, asbestos, glass cloth, or other base material impregnated with phenolic, melamine, silicone or epoxy resins and formed into sheets, rods and tubes under heat and pressure. Also a number of composite materials, including copper-clad laminated plastics, vulcanized fibre and laminated plastics, rubber and laminated plastics, asbestos and laminated plastics, and aluminum and laminated plastics.

Use this Taylor Selection Guide to make selections of the Taylor laminated plastics that will fit your requirements.



Circumference Tape

Indicates Diameter Directly

Circumference tape for round and out-of-round parts permits direct reading of the true diameter to an accuracy of .001 in. by means of special graduations and vernier. Standard lengths are available for a range of diameter measurements of 2 in. to 12 in., up to 132 in. to 144 in. No adjustments are necessary for O.D. and I.D. readings.

Price: \$20 to \$59. Delivery: immediate.
Pi Tape, P.O. Box 397, 7952 North Ave.,
Lemon Grove, Calif. (PW, 10/9/61)
SIC #3999



Safety Hat

Has High Impact Resistance

Safety hats and caps including general industrial and electrical utility units are made of polycarbonate materials with greater impact and penetration resistance. A single-ridge design extending the length of the hat deflects the blow of falling objects without trapping the force. All are available in nine colors.

Price: \$4.50. Delivery: immediate.
Mine Safety Appliances Co., 201 N.
Braddock Ave., Pittsburgh 8, Pa. (PW,
10/9/61)
SIC #3842

SERVICE IN STAMPINGS			
"ONE PLUS" METHOD	SHORT RUN METHOD	PRODUCTION RUN METHOD	"WATCH DOG" SERVICE
Applies when you need just a few pieces for prototypes or experiment. We hold all critical dimensions, yet avoid tooling charges.	More than "a few," but less than production quantities. Temporary tooling, simple dies and special presses keep costs down.	Applies when quantity, tolerance, size and contour factors justify our standard production tooling and/or nominal die charges.	A routine procedure. We re-evaluate repeat orders as to quantity and specs—then use the Method best for you.



"Q CONTROL" IS THE KEY TO BETTER STAMPED METAL PARTS

The Services displayed and briefly described in the chart above permit selection of the exclusive cost-cutting and quality-controlled techniques best suited to your specs and quantity requirements. You specify and we deliver. This definition of ideal Stampings production is the result of specialization in stamping since 1913.

With Service in Stampings you get top quality Stamped Metal Parts (1) in any size, any shape, ranging from tiny lock washers to elec-

tronic chassis to husky rocker arms . . . (2) in any quantity, from a single prototype to a million or more . . . (3) all within accepted tolerances and finishes for the class of work involved . . . (4) at surprisingly low cost. So . . . for better Stamped Metal Parts, faster and at low cost, call DAVIS 5-2631 or send your prints for quotes directly to the . . .

LAMINATED SHIM COMPANY, INC.,
4710 Union Street, Glenbrook, Conn.

Machines live longer

... when you make critical replacement parts from handy **AMPCO** Stock Products

Ampco copper-alloy stock products outlast ordinary bronze in severe service—sliding wear, extreme bearing pressures, corrosion, and fatigue. You reduce down-time by extending part-life in gears, bushings, nuts, bearings, other parts. You tie up less money in in-plant inventories. Your Ampco distributor can deliver immediately a full range of sizes in extruded solid rounds, centrifugally cast stock bars, extruded rectangles, sheet and plate, stock die blanks, and guide pin bushings. Rod, sheet, and plate are cut to the exact sizes you need.

Call your Ampco distributor for all your copper-alloy requirements. Write for Bulletin.



AMPCO METAL, INC.

Dept. 424J • Milwaukee 1, Wisconsin
Huntington Park, Calif. • Garland (Dallas County), Texas



Nutdriver Kit

Holds Seven Tools

Heavy-duty vinyl kit comes with seven nutdriver tools ranging in socket size from $\frac{1}{8}$ in. through $\frac{1}{2}$ in. The tools, of chrome-plated, hard-tempered steel, have hex-shaped sockets and shafts that permit use of a wrench to apply extra torque. Handles are of unbreakable, fire-resistant plastic, and handle inserts make the tools twist and impact-proof. Individually, the nutdrivers come in sizes $\frac{1}{8}$ in. to $\frac{5}{8}$ in.

Price: \$7.75. Delivery: immediate.

Opson Bros., Inc., Rochester,
N. Y. (PW, 10/9/61)
SIC #3423

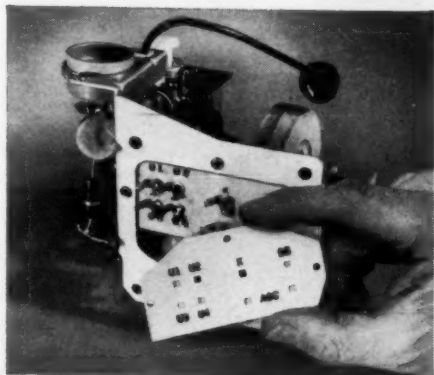
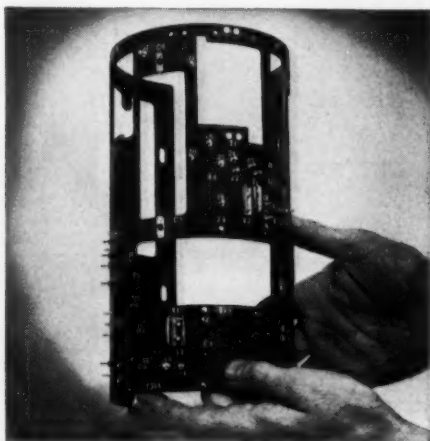
rod, tube or fabricated parts?

Taylor has the facilities. Its Norristown, Pa., plant, comprising some 300,000 sq. ft., produces both laminated plastics and vulcanized fibre . . . is one of the most completely integrated in the industry . . . even makes its own paper and a large percentage of its own resins. The La Verne, Calif., plant, with over 45,000 sq. ft. of floor space, specializes in the manufacture of laminated plastics for the convenience of West Coast customers. And both plants can fabricate parts from any Taylor materials to specifications, economically.

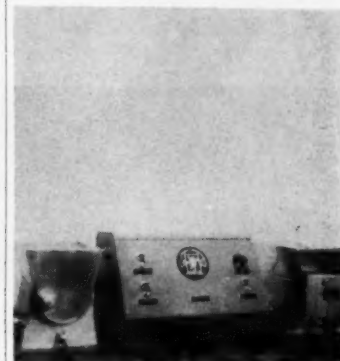
Taylor laminates offer many advantages over metals. They have a higher strength-to-weight ratio, are corrosion resistant, and can be fabricated more easily. This Taylor Selection Guide will help you evaluate the different grades available. Write for your copy today. Taylor Fibre Co., Norristown 55, Pa.

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For applications requiring high strength retention at elevated temperatures, Taylor Grade GEC—an epoxy resin, glass fabric base material.



For high-temperature electrical applications and high-frequency radio equipment, Taylor Grade GSC—a silicone resin, glass fabric base material. Has high heat resistance, excellent electrical properties, and high arc resistance. Will not support combustion.



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Ultrasonic cleaner for use in electronic, chemical, glass, automotive, and other industries requiring production cleaning operates on a power output of 115 v. 60 cps. Available with $\frac{1}{4}$ - or $\frac{1}{2}$ -gal. transducer tanks, the generator will drive either two of the $\frac{1}{4}$ -gal. tanks or one of the $\frac{1}{2}$ -gal. tanks.

Price: \$695 (with one $\frac{1}{4}$ -gal. tank) and \$795 ($\frac{1}{2}$ -gal. tank).
Delivery: immediate.

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Inc., 80 Winchester St., Newton
Highlands 61, Mass. (PW,
10/9/61)
SIC #3999

In the World of Sales

Fredrick A. Pitschke—to sales manager, **Electrochemical Machining Div., Hanson-Van Winkle-Munning Co.**, Mawhnan, N. J.

George M. Turner—to vice president, sales, **P & O Orient Lines, Inc.**, San Francisco.

Orville G. Mahnensmith—to divisional sales manager, **Fill-Rite Div., Tuthill Pump Co.**, Chicago.

R. G. Landgraf, Jr.—to **Kaiser Aluminum & Chemical Sales, Inc.**, Oakland, Calif., as assistant to the manager of can stock sales. He was with Continental Can Co., Chicago.

Howard Strandberg—to assistant general sales manager, **Refractories Div., H. K. Porter Co., Inc.**, Pittsburgh.

Donald J. Sauser—to manager, aircraft

sales, **Cherry Rivet Div., Townsend Co.**, Santa Ana, Calif.

William F. Tinlin—to regional manager, post-tensioning sales, **Joseph T. Ryerson & Son, Inc.**, Los Angeles.

William B. Renner—to assistant district sales manager, **Aluminum Co. of America**, New York City.

David E. A. Riker—to cargo sales officer, Central States, **British Overseas Airways Corp.**, Chicago.

Robert E. V. Ramsing—to vice president-sales, **Sierra Electric Corp.**, Gardena, Calif.

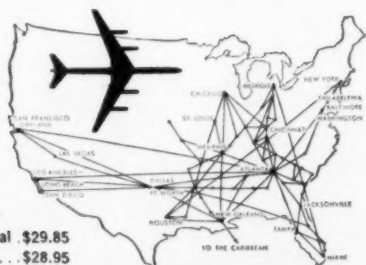
John S. Colter—to manager for sales and merchandising of pneumatic specialties and related industrial products, Industrial Div., **Watts Regulator Co.**, Lawrence, Mass. He was formerly with Foxboro Co., Foxboro, Mass.

Routine or rush, specify Delta Jet Freight—

NEXT STOP: THE MOON



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100 lbs. Los Angeles to Canaveral \$29.85
300 lbs. Miami to Chicago\$28.95

DELTA
the air line with the **BIG JETS**

General
Offices:
Atlanta,
Georgia

Answers to Strategy Games on Page 26

Answer to Problem I

Vital considerations involved in the decision are: Byode costs (\$10 each); inspection cost (\$4 or \$6); and the Dexator service cost, (\$100 or \$50). Because the Byode purchase cost and the inspection cost are calculated only for untested Byodes, it's necessary first to combine these two factors into the total material cost.

Testing Process	Material Cost Per Untested Byode	Number of Untested Byodes Per Dexator	Total Material Cost Per Dexator
A	\$14	5.56	\$77.84
B	16	6.25	100.00

The over-all cost per Dexator is then the sum of the material cost and the service cost:

Process	Material Cost Per Dexator	Estimated Service Cost	Over-All Cost
A	\$77.84	\$100.00	\$177.84
B	100.00	50.00	150.00

Thus, Inspection Process B gives the lower over-all cost.

Answer to Problem II

Once again, the relevant costs are: component cost; inspection cost; and service cost. Under the promised arrangement, the Tryode vendor would absorb the cost of any rejects.

Thus, the Tryode component cost per Dexator always would be $5 \times 12 = \$60$. And from this, Delta's inspection cost per Dexator can be calculated easily:

Testing Process	Inspection Cost Per Untested Tryode	Number of Untested Tryodes Per Dexator	Inspection Cost Per Dexator
A	\$4	5.26	\$21.04
B	6	5.56	33.36

The over-all cost per Dexator, using Tryode components, therefore, is the sum of the three cost factors:

Testing Process	Tryode Cost Per Dexator	Inspection Cost Per Dexator	Dexator Service Cost	Over-All Cost
A	\$60	\$21.04	\$100	\$181.04
B	60	33.36	50	143.36

For Byodes, the over-all cost (using Process B) was \$150. Therefore, in spite of its higher unit price, the Tryode brings over-all costs still lower (to \$143.36).

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Truck Makers Quietly Abandon Style Changes

(Continued from page 1)
able to hold truck prices down because "we have not made major product changes simply for the sake of change."

Some of the Dodge reductions are substantial. In the low tonnage truck field, for example, the factory retail price of the Town Panel model has been reduced from \$2,119 to \$1,998 for 1962. Price of the Town Wagon is down to \$2,263 from \$2,384.

Other reductions include: the W-100 Utiline pick-up truck, \$2,534 to \$2,474; the C-600, low cab forward, \$4,057 to \$3,787; and also in the low cab forward category, the CT-800, \$7,591 to \$7,215.

Dodge said its diesel truck prices will stay the same for 1962. Prices on optional equipment have been adjusted, both up and down, with reductions coming on directional signals, electric horns, outside rear-view mirrors, frame reinforcements, engines, and heavy-duty transmissions.

The savings which the truck makers will achieve by eliminating annual changes can be judged by some of these figures: Dodge currently catalogs about 43,000 part numbers for its line of 141 different trucks. A complete model change-over, such as Dodge went through in 1961, can obsolete as many as 6,500 of these parts. For 1962, however, Dodge is obsoleting only about 100 part numbers.

The Detroit truck makers now visualize a change-over cycle of about four to seven years for light trucks, and as much as 10 years for heavy-duty models. There is still a certain amount of pressure to change the appearance of light trucks annually—however slightly—because of the "rolling billboard" requirement of retail establishments and the importance of the farm trade, where a pick-up often doubles as a passenger car on Sunday.

While the independent truck companies are not due for any production windfalls—because they already hold changes to a minimum—they foresee few price changes for 1962.

Said a Mack spokesman, "Some of our next year's prices will be a little higher, but that is because then we will be making heavier trucks, with bigger engines, more horsepower, and stronger frames. As far as we are concerned, the increase in size, rather than changes in existing models, is the principal trend in trucks."

The Mack official continued: "Just within the last year or so the high volume in truck sales has shifted from the 15-ton to 20-ton category to the 22-ton to 25-ton range. The bigger trucks may cost more, but buyers demand them because in the long run they help to cut operating costs."

Studebaker-Packard, like Mack and the other independent truck manufacturers, makes few styling changes from year to year. Also like the independents, S-P expects to put through few, if any, price changes in 1962.

S-P's big sales push will be on its new series of medium-duty diesel trucks, introduced two months ago. The line consists of 1-ton, 2-ton, and 2½-ton models. They range in retail price from



FORD ENTRY: Light duty F-100 half-ton pickup is powered by "223" six engine, with "292" V-8 optional. Standard body is Styleside (above). Flareside box body, with wooden floor, also is optional.

\$4,629 for the smallest size to \$5,982 for a 2½-ton model with a 195-in. wheel-base, chassis and cab included.

Since trucks get heavier as they get larger, it is expected that truck manufacturers will step up their efforts in 1962 to make

maximum use of light metals and materials in new designs. Another area of development will be the continued expansion of specialized trucks for industry and business. Introduction last year of slab-nosed delivery vehicles is an example of this.

Fallout Shelter Makers Viewing Industry as Prime Sales Target

(Continued from page 1)
employees from nuclear attack and its lingering effects. Those that have done so or are planning to install shelters have usually taken the initiative on their own. But there are several indications a shift in emphasis is in the making.

- With increasing international tensions, management men are devoting more attention to the problem. Federal Civil Defense officials report thousands of mail inquiries daily.

- The armed services are put-

ting pressure on defense contractors to prepare for disaster so that production can be resumed as soon as possible should an atomic attack occur.

- Government agencies and nonprofit organizations are intensifying a public relations campaign aimed at business and industry. One important aspect of this campaign will be a November symposium, presented by the National Institute for Disaster Mobilization, for 100 industry leaders at the Rohm & Haas plant at Bristol, Pa.

One reason the industrial shelter program has been moving slowly is that the shelter manufacturers don't have the trained manpower to do the job. Conflicting building codes are another obstacle.

The P.A. of an Atlanta electrical machinery manufacturing firm, one of the few to be approached by a shelter salesman, tells of his experience:

"The salesman just wasn't qualified to talk industrial fallout shelters. He was trying to sell us an underground, corrugated pipe shelter, throwing in a general suggestion that the pipe could always be used by the company on a sort of "guestroom" basis. The problem is we just aren't dealing with any moles these days."

Wonder's president, Paul Peterson, admits that his firm lacks experienced men to sell the industrial market. In time, Peterson plans a "hard sell" of industrial shelters, but he's willing to wait. First, he wants to exploit the mass market in individual shelters. Second, he needs time to develop an army of experienced salesmen.

"Fallout shelters are like insurance," Peterson explains. "People and companies don't buy them. They have to be sold."

Many industries are waiting to be sold. "There's been a lot of thinking in industry about shelters," says William M. Connor, head of the plant protection section at Humble Oil & Refining Co.'s Bayway Refinery in Linden, N. J. "We want to do something, but we're not sure about how far to go and we don't know how much to spend."

Soon there may be a Wonder salesman at the door—explaining how far and how much.

CIT Leasing to Begin Nationwide Operations

New York—CIT Leasing Corp., machinery and equipment leasing subsidiary of CIT Financial Corp., said it has begun full-scale operations on a nationwide basis.

The leasing company has established offices in 22 cities throughout the U.S. and is prepared to work out leases for income-producing equipment used in "almost any business," said Thomas T. Lenihan, president.

Established last fall to work in the machine tool field, the subsidiary originally was known as the M&E Leasing Corp. Its name was later changed to CIT Leasing and the scope of its activities broadened to include such areas as packaging machines, printing presses, and machinery used in food and bakery processing.

4 Truck Leasing Firms Unite in Single Company

Baltimore—Four of the largest independent truck and car leasing companies in East have combined to form a new firm, Truck Rental Co., Inc.

The companies involved are Truck Rental Co., Inc., Baltimore; National Truck Rental Co., Inc., Washington; Virginia Truck Rental Co., Inc., Alexandria; and York Truck Rental Co., Inc., York, Pa.

Frank J. Max, Jr., president of the consolidated company, said each of the four firms will continue to operate from its present offices as a branch of the parent organization. Headquarters of the consolidated company will be in Baltimore.

Purchasing Week's

Purchasing Perspective

(Continued from page 1)

Further data on business plans for new plant and equipment should be in hand soon. The McGraw-Hill Economics Dept.'s annual fall checkup will be completed early next month, and pre-survey clues indicate a somewhat optimistic response.

The McGraw-Hill forecasters note that their latest index of machinery new orders, an important gage of future capital goods activity, was up 10% in July. And expectations are that the next quarterly go-around will reflect an even brighter future.

As for profits, some economists believe that profit levels and margins will improve significantly next year. If this hope materializes, the combination with rising capital goods orders could provide a significant push to 1962 capital spending.

Another mystery still defying solution is just how much of a boost inventories will give the economy next year. Total inventories are up because shipments and new orders are up, but purchasing and other inventory control experts are upsetting past performance records by holding factory production material sales ratios to almost unheard-of skimpy proportions (see story, p. 1). Latest statistics indicate an actual drop in manufacturers' stock-sales ratios in August when the ratio was 1.7 compared to July's 1.9.

The sweeping changes upcoming in Pentagon procurement policies (see p. 1) won't be enough to satisfy Sen. George Smathers' Small Business Procurement Subcommittee. Smathers (D-Fla.) came out with a 58-page report last week that caught headlines because of its critical comments on military procurement paper work and red tape. But included with this criticism were some recommendations for procurement changes affecting contractors and subcontractors on a variety of oft-debated subjects.

Smathers recommends, for instance, that proprietary data which the government seeks to acquire should be subject to separate negotiation, apart from the price of items delivered under the contract. It urges that preference in procurement law for advertised bids over negotiated bids be ended, and the code be amended to define clearly three methods of procurement—advertising, competitive negotiations, and single source negotiation.

In another key area, it recommended that prime contractors not be required to submit detailed information concerning the "buy" portion of their programs if their purchasing system has had prior approval.

Another warning that keeping too tight a lid on inventories could backfire came again this week. A Michigan State University professor of business administration, Dr. Edward W. Smykay, says the trouble could stem from the concept of having suppliers carry the inventory and leaving the buyer with considerable savings on inventory costs plus promises of good supply service.

Somewhere along the line, says Smykay, sales forces might be forced to soft-pedal service offers. If salesmen are going to offer more service, says Smykay, they will have to prove to their own management that this offer will increase sales enough to overcome the increased costs of holding inventory for the customer.

Aluminum Price Cuts Hit Chemicals; Cellulose, Vinyl Chloride Tags Rise

New York—Mixed price trends developed last week in important sectors of the chemical industry. Price cuts came in some aluminum chemicals and in crude pine gum. On the upside were tag hikes for cellulose acetate and vinyl chloride monomer.

The recent aluminum ingot price drop prompted the lower tags in aluminum pigments for paints and plastics. Standard aluminum lining paste and powder both fell 1¢/lb. to 43½¢/lb. and 78¢/lb. respectively in carlot lots.

Alcoa followed with a \$2/ton reduction in its calcined alumina A-2 but said the price cut is intended to widen the use of alumina A-2 among ceramics, abrasives, and refractory products. The new price is \$98/ton—the same as alumina A-1.

Crude pine gum prices also dipped to \$32.90/bbl.—20¢ be-

low the level of recent weeks. The weakness occurred despite the approach of the "scrape crop" or low production season and despite recommendations by the American Turpentine Farmers Assn. that members place all material in the Commodity Credit Corp. loan fund.

The reason: Demand is very quiet, with pine gum purchases being made on a strictly hand-to-mouth basis.

Prices perked up however, for vinyl chloride monomer. Allied Chemical initiated the move to ease rising cost pressure in this material with a ½¢/lb. increase—to 8¢/lb.—and Monsanto, Dow, and Union Carbide quickly followed.

Profit pinch was also the reason given for Celanese Corp.'s announcement of price increases in cellulose acetate to be effective Nov. 3.

P.A.'s Still Operating Cautiously, Survey Shows

(Continued from page 1)
sign changes, and closer scrutiny of supplier costs—all these figure prominently in the P.A. arsenal of anti-inflationary weapons.

• **Hedging**—Buyers are almost unanimous about not hedging against possible price hikes now, noting that any small savings would be more than offset by high cost of carrying additional supplies. As for next spring (just before steel wage talks begin) P.A.'s are a little less certain—with some admitting they might go in for a limited buildup if labor situation looks bad.

A spokesman for Pure Oil of Chicago sums up the thinking of most P.A.'s on inventories: "We are still buying hand-to-mouth because materials are readily available. We probably won't change our inventory much for the rest of the year unless the international situation worsens or a steel strike appears imminent."

Statistical Proof

Proof that P.A.'s are practicing what they preach comes from the latest official government statistics. While factory inventories have been rising, nearly all of the increase is centered in finished goods and goods in process. The gain in production material holdings (the P.A.'s main concern) has been practically negligible.

By early September, for example, factory holdings of hard goods production materials were only \$100-million (or about 1%) above the low point hit at mid-year. What's significant about this relative stability is that it has been occurring at a time when sales are up by \$400-million.

It means that days' supply actually has fallen, contrary to all past experience. Thus, as of the beginning of September, days' supply of production materials in the key hard goods area was 15% below the comparable period in the last business pickup.

Projecting this trend to year-end, one top economist comes up with these amazing results. As of Jan. 1, 1962, hard goods material inventories should only be at the \$8.1-billion level. That's 8% below early '60, despite the fact that sales then are expected to be running 5% ahead of the earlier period.

Other evidence of continuing tight inventory control comes

Kennedy Signs New Law Authorizing Dual Rates

Washington—President Kennedy has signed into law a controversial Congressional act legalizing so-called dual rates in ocean shipping.

The measure authorizes conferences of ocean common carriers to give a reduction of up to 15% to shippers or consignees who agree to give all or a fixed portion of their patronage to the conferences.

It also provides for advance filing of rate increases and enlarges the regulatory responsibilities of the Federal Maritime Commission.

Although the President found that the law protects shippers against abuses and forbids undue prejudice against independent steamship lines, some members of Congress feel it does not contain adequate safeguards and plan to revive the issue next year.

from the latest NAPA monthly business survey. Results for September show little change in the length of the commitments and only a "small degree" of actual inventory accumulation.

Some firms may actually reduce stocks a bit before the end of the year. This is particularly true in states like Texas where there is a 4% floor tax on December inventories. (The smaller the December inventories, the brighter the after-tax profit picture.)

P.A.'s like Roy E. Baxter of Eastman Products Corp. (Dallas) are specific on this: "Our target for the year-end is always a lower inventory than in any other month of the year. If we can cut our inventory down to 60% by

the end of December, it's a help in the 4% floor tax."

Another aid in the drive to keep inventories tight is the growing trend toward blanket buying. A P.A. for a major Los Angeles-based defense contractor notes: "My company is going more and more to the open type of order where the supplier handles our inventory. Right now it's mostly on maintenance items, but we have hope of expanding it to many production items."

Evidence that no big price push is imminent comes from all sides. The failure of steel and autos to boost tags, the 2¢/lb. cut in aluminum, and the general weakness in industrial chemicals all add up to a noninflationary price pattern.

New Free-Machining Tellerium Steel Said to Permit Faster Cutting Speeds

Chicago—Inland Steel Co. has introduced a free-machining tellerium steel said to allow cutting speeds up to 3½ times faster than conventional screw machine stock.

Inland adds the tellerium to presently available machining grades at a premium of \$15/ton for carbon steels and \$20/ton for alloy steels. A few hundredths of 1%, by weight, is all that's needed to obtain the increased machinability claimed for the new steels. The element's effect as a built-in lubricant causes small chips produced by the cutting process to fall away from the tool and reduce heat build-up.

La Salle Steel Co., which has been testing the tellerium-bearing steel, reports speeds of over 600 surface ft. per min. in the machining of spark plugs on a six-spindle automatic screw machine. Tool wear was normal and drills showed no appreciable wear. Results led the company to state that the new steel's machinability potential is well beyond that of any present day bar stock.

Inland's present output of the free-machining steel is almost entirely in the form of hot-rolled bars which it is supplying to cold drawers for further processing and sale to the metalworking trades.

In spite of the small percentage needed of tellerium, Inland said the limited availability of the

metal will restrict the present production of tellerium-bearing steels. The company expects, however, that industrial applications will spur the development of additional sources able to produce higher recovery rates from refining processes. The element is obtained principally as a by-product of copper and lead refining.

Easy to Deal With U.S., Shipyard Buyer Says

Biddeford, Me.—A Kittery Naval Shipyard purchasing official told an industrial procurement conference here that the key to doing business with the shipyard is "quality products at prices equal to or less than they are paying now."

"It's easy to do business with the government if both the supplier and the purchaser are open to dealing with each other and freely discussing any problems involved," Cmdr. R. W. Mullins, assistant supply officer, told the group.

Mullins stressed the importance of on-time deliveries in the "correct quality and quantity." The shipyard is understood to have experienced some recent delays in arrival of fabrications from subcontractors, which in turn has forced some cutbacks in the outfitting work force.

Late News in Brief

Lead-Zinc Subsidy Signed

Washington—President Kennedy last week signed into law a subsidy bill to aid small lead and zinc miners. The bill passed through Congress just before adjournment, will give \$16.5-million in price subsidy relief over a four-year period to lead and zinc miners who mine less than 3,000 tons yearly (including both lead and zinc tonnages).

New McKesson & Robbins Drug Plan

New York—McKesson & Robbins, Inc., has begun manufacture and distribution of nonbrand-name prescription drugs to hospitals at about half the price of brand-name drugs. Herman C. Nolen, president of the drug firm, told a security analysts' meeting here that the drugs to be sold under generic or chemical names include antibiotics, tranquilizers, and synthetic hormones.

Hercules Posts Price Boost

Wilmington, Del.—Hercules Powder Co. raised the price of a key resin ingredient, pentaerythritol, by 3¢/lb. Increased demand led to the increase. New price in 50-1,000 lb. lots: 34¢/lb.; 1,000-2,000 lb. shipments: 32¢.

Counterattack on Christmas Gifts

New York—National Distillers & Chemical Corp. is planning a big advertising campaign to counteract corporate opposition to giving Christmas gifts. The ads will stress the theme, "Has anyone ever returned a bottle of Old Crow?", and will feature famous men who reportedly never turned down a gift bottle.

UAW-Deere Reach Agreement

Chicago—United Auto Workers and Deere & Co. have agreed on a new three-year contract—the first agreement in current union negotiations with major farm implement firms. Providing a 2½% wage increase and fringe benefits, the contract is similar to that reached by UAW and General Motors Corp. The agreement covers 15,000 workers in six plants in Illinois and Iowa.

Experts to Name Award Winners

(Continued from page 1)
were professionally designed under the supervision of Consultant F. Albert Hayes.)

2. Recognize those P.A.'s who have the ability to come up with intelligent, articulate strategies.

Here's what the competition will be like:

• Beginning on Oct. 23 (and at two-week intervals thereafter) you will find in these pages a short case history of some broad managerial problem. One, for example, is in the area of centralized vs. decentralized purchasing; another deals with reciprocity; another touches on justification of purchasing costs.

• You will be asked to submit a strategy suitable to the problem

when it is presented. In effect, this should be a short outline of what you would do in the situation described in the case history. You will not be asked to make elaborate calculations, or detailed explanations, or search records, or read a lot of texts. The nature and soundness of your strategy is what the judges will keep uppermost in their minds when they see your outline.

• Answers to each case history in the series will be judged separately, and each will have its own award-winner. In short, you can enter at any time—or at all times.

In setting up its board of judges under Management Editor William Leitch, PURCHASING WEEK called on the experience and professional insight of two of the purchasing profession's most respected members, namely:

F. Albert Hayes, former NAPA president and Shipman Medalist. Hayes, retired vice-president of purchasing at Bigelow-Sanford Carpet Co., is now a consultant and lecturer at AMA seminars and various colleges. As a consulting editor for PURCHASING WEEK, he authored P/W's "Policy Manual" guide and instructions on "How to Order Scientifically."

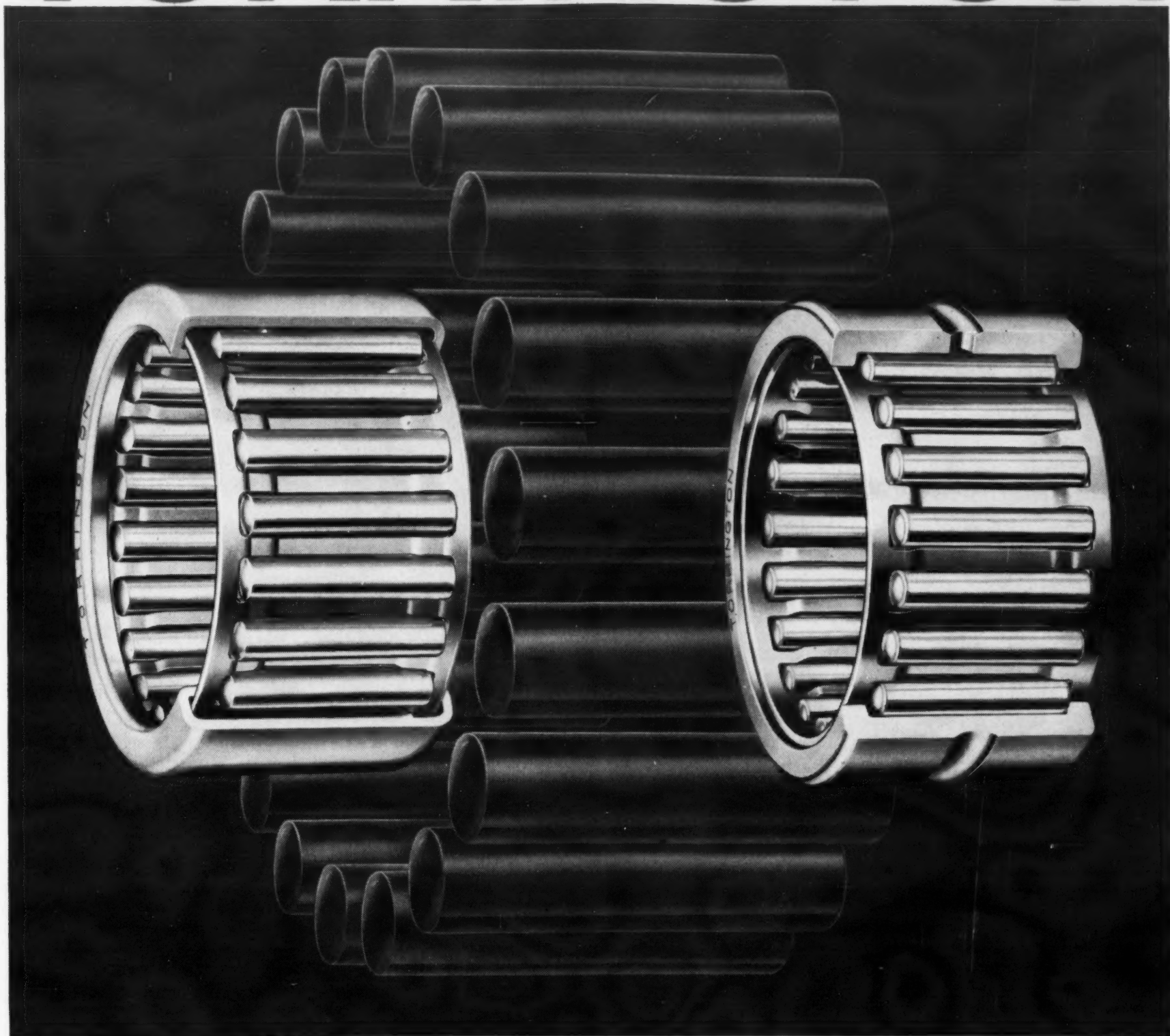
George A. Renard, retired national secretary of NAPA and Shipman Medalist. Renard's PURCHASING WEEK column, "From One P.A. to Another," draws on 30 years of experience in purchasing, business writing, and procurement administration for the government.

Further details on this competition will appear in next week's (Oct. 16) issue.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Vinyl chloride monomer, Nov. 1, crlts., lb.	.005	.08	rising costs
Pentaerythritol, Hercules, 50 to 1000-lb. & 1000 to 2000-lb. lots, lb.	.03	.34 & .31	order size
Cellulose acetate, celanese, Nov. 3, molding compounds, translucent & opaque colors, crlts., lb.	.04 & .06	.52 & .46	profit pinch
Flake, 2 grades, crlts., lb.	.02	.41 & .46	profit pinch
Transformers, over 500 kva, GE	6%	....	price restoration
Paper carton tape, Nashua Corp., Oct. 27	10%	....	improved demand
Multwall paper bags & bag papers (ton), Crown Zellerbach, Jan. 1, 1962	4% & \$10.00	....	industry move
Heavy cotton ducks, plied yarn, lb.	avge. .03	....	improved demand
REDUCTIONS			
Transformers, 37½ & 75 kva single-phase, Line Material Ind's	2%-7%	....	competition
Aluminum paste & pwd. linings, standard, lb.	.01	.435 & .78	metal cut
Calcined alumina A-2, alcoa, ton	\$2.00	\$98.00	broaden markets
Fir plywood, ¼" grade, 1000 sq. ft.	\$4.00	\$60.00	oversupply
Plywood sheathing, ¾"-¾", 1000 sq. ft.	\$2.00	\$56.00-\$116.00	oversupply

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The unique Torrington Drawn Cup Roller Bearing opens new design possibilities in alternators, power-tool motors, electric mixers, vacuum cleaners and a host of similar products. It is so light, compact and efficient that designers have more flexibility than ever before. Yet the Drawn Cup Roller Bearing costs less than any other anti-friction bearing of comparable performance. In many cases, armature bearing costs have been reduced as much as 50%.

The Torrington Heavy Duty Roller Bearing is ready when the going is tougher. Controlled Contour rollers insure uni-

form loading and prevent stress concentration at the roller ends. A patented flange-riding retainer insures positive roller guidance and provides ample lubricant storage area. Torrington Heavy Duty Roller Bearings have proved highly successful in two-cycle engines, hydraulic pumps, oil-field equipment and transmission systems.

These are just two examples of Torrington's outstanding capability in bearing design and manufacture. Remember that Torrington makes **every** basic type of anti-friction bearing... can supply the bearing that's **exactly** right for your application. Don't hesitate to call us for advice.

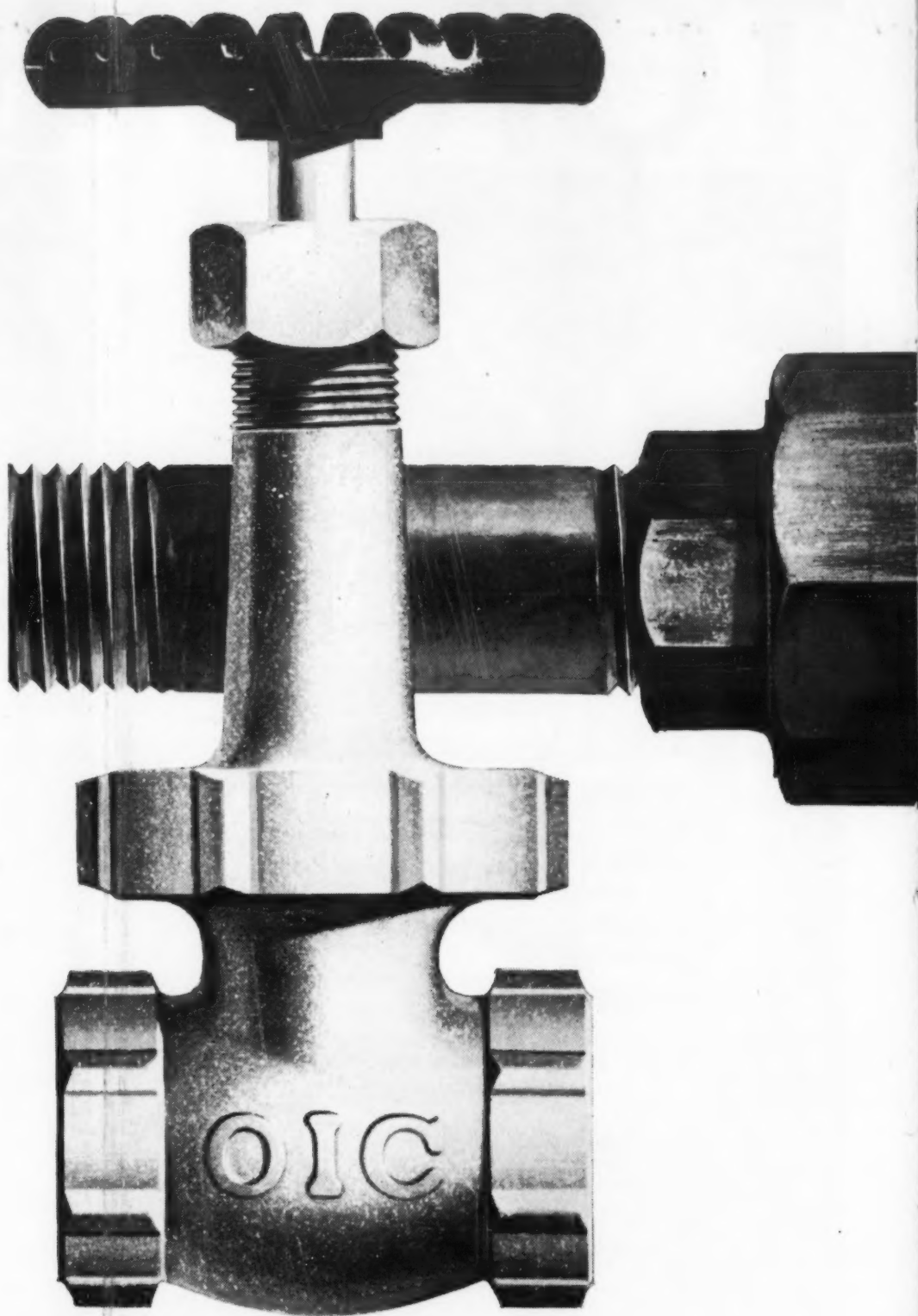
progress through precision

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is
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place
for
a
"stopgap"
decision!**



For dependable valve performance . . . specify O I C

Hasty "stopgap" decisions may be luxuries you cannot afford. The cost of a valve for essential plant services is very small compared with the high costs of interrupted production, excessive maintenance and early replacement. Specify the valve that is built for complete operational reliability, long life and minimum maintenance.

Play it safe . . . specify O I C. Your nearby O I C distributor has a complete line of bronze and iron valves designed to withstand strain, vibration, shock and pressure changes under many different operating conditions. You make the right decision when you specify O I C.

The Ohio Injector Company, 231 Main Street, Wadsworth, Ohio

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